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MUNICIPAL SOCIALISM

A SERIES OF ARTICLES

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PREFACE.

Some discussion having arisen as to the origin of these articles, it may be of interest to state the facts.

My first article on "The Crisis in British Industry" appeared in *The Times* on November 18, 1901. It produced a letter signed "W. B.," published in *The Times* of November 20, in which the writer remarked, "Your Correspondent has little to say about Municipal Trading." On reading that letter I wrote the same day to Printing House Square as follows:—

"I notice that in his letter to *The Times* this morning 'W. B.' points out (quite justifiably) that I have had 'little to say about Municipal Trading.' The fact is that that subject was too big to be dovetailed into the other, and I should like to suggest that some separate articles should be written on it, with special reference to the question of municipalities and 'direct labour.' There are grave abuses creeping into the administration of local affairs in the way in which trade union interests are capturing the municipalities, and exploiting them to their own advantage, and to the very serious disadvantage of the public. Railways especially (as one general manager tells me) are heavily handicapped in their own enterprises owing to the increases in local rates as the direct or indirect result of trade union action. Battersea has been described to me as 'a perfect hotbed of Tammany,' and there are other places, in London and the provinces, that are said to be not much better."

As a result of that suggestion I was commissioned to inquire into the subject, and, after two months, on January 22, 1902, I received the following:—

"The Editor has received your sketch of the proposed articles on 'Municipal Socialism.' Could you come down and see the Editor about them at half-past 10 to-morrow (Thursday) night?"

The articles were thereupon written and (with one exception) sent in to *The Times* in one parcel early in July.

It has been stated that the Industrial Freedom League was started on April 22, 1902, and that they inspired or suggested the articles. It will be seen that the sketch of the articles was in *The Times* Office three months before that excellent organization came into existence. Had it been otherwise, I would gladly have availed myself more freely of their services. As it is, they only placed at my disposal their book of newspaper cuttings, and the total amount I used from it would not fill half a column.

THE WRITER OF THE ARTICLES.

[Pratt]
of the Times Staff

CONTENTS.

		PAGE
I.	THE SOCIALIST IDEA...	1
II.	THE SOCIALIST IDEA...	6
III.	THE INCREASE IN LOCAL BURDENS	10
IV.	LOCAL RATES AND COMMERCIAL ENTERPRISES	16
V.	MUNICIPAL *VERSUS* PRIVATE TRADING	20
VI.	THE QUESTION OF EFFICIENCY	27
VII.	MUNICIPALITIES AND DIRECT LABOUR	31
VIII.	A SOCIALIST *RÉGIME* AT WEST HAM	38
IX.	"A MUNICIPAL MECCA"	44
X.	A TRIUMPH OF DEMOCRACY	48
XI.	THE POSITION AT BIRMINGHAM	51
XII.	MUNICIPAL ENTERPRISE AT GLASGOW.—I.	57
XIII.	MUNICIPAL ENTERPRISE AT GLASGOW.—II.	64
XIV.	WHERE MUNICIPAL MANAGEMENT DOES NOT PAY	68
XV.	THE HOUSING QUESTION—MUNICIPAL ENTERPRISE	72
XVI.	THE HOUSING QUESTION—PRIVATE ENTERPRISE	78
XVII.	CONCLUSIONS AND RECOMMENDATIONS	83

MUNICIPAL SOCIALISM.

FROM A CORRESPONDENT.

I.

(THE TIMES, AUGUST 19, 1902.)

THE SOCIALIST IDEA.

In the series of articles which I was permitted to contribute to *The Times* between November, 1901, and January, 1902, on the subject of "The Crisis in British Industry" much was said concerning the baneful influences of the newer unionism; but only a passing reference was made to that new municipalism, otherwise known as municipal socialism, which, under varied forms, including those of municipal enterprise or municipal trading, the direct employment of labour, the provision of all kinds of municipal luxuries, and the steady increase of local burdens, in the form either of loans or of rates, is doing so much to handicap private enterprise, either by seeking to transfer public services and individual trades and manufactures bodily to the local governing authorities, or by sending up the rates to such a figure that it becomes increasingly difficult even for those traders whom the municipalities are willing to leave alone—at least for the time being—to carry on their businesses at a reasonable profit.

This further subject has, indeed, an importance which extends far beyond the domain of the private trader, however seriously his interests may be affected. One must consider not only to what extent the new municipalism, in one way or another, is affecting industries, but the extent also to which it is changing the very basis and scope of local government as carried on in this country up to a comparatively recent period. Whether a municipality should or should not "trade" is a point on which there is much diversity of opinion, and even if, in particular localities, or under certain conditions, the general principle be decided in the affirmative, there is still room for endless discussion as to what particular branches of "trade" or "enterprise" may be legitimately followed. It is not proposed here to attempt the impracticable task of laying down hard and fast rules in these vexed questions, but it seems desirable that the country should realize somewhat more clearly than it has hitherto done the extent of the transformation which is proceeding in the domain of local government, and decide whether or not the developments in question have its approval.

The time has, in fact, come for the British people to say whether or not they concur in the transfer, not only of great, speculative, and often even experimental industries, but of all sorts of minor trades as well, to municipal control; whether or not it is desirable that our towns and cities should be changed into essentially socialistic communities where trade, industry, and local government will all be conducted on socialistic lines; whether or not the incurring of stupendous financial liabilities, the rapid accumulation of local debts, and the increase to an almost unbearable extent of local taxation, are consistent with the best interests not only of the towns and localities concerned, but of the nation at large; and whether, assuming that all these things are right and desirable, the *status* of our local governing bodies is being maintained at so high a point that one may feel perfect confidence in their efficiency alike for dealing with questions of public health and ordinary local government, for the conduct of so many great and varied industries and enterprises, and for the wise and effective control of a huge municipal indebtedness so that it shall not become a menace to the welfare of the country.

According to an article contributed to *La Grande Revue* by Sir Charles Dilke, "Municipal socialism prevails in the United Kingdom far more than is the case in any other country in the world." He finds that it is making rapid strides; he is convinced that its operation is "wholly beneficial," and he sees "no limits which may be set to its further progress." If this be so, then the people of this country, who can hardly have realized that things had gone so far, should at once take stock, see where they really stand, and decide whether or not the policy into which they have more or less drifted is one that should be persevered in. Sir Robert Giffen has told us that we can "no longer play tricks and neglect the Army and Navy," and that we have reached "less happy times when the very existence and safety of the State may be in question," and when we are to expect a substantial increase in our Imperial burdens. These Imperial burdens must be borne; but the conditions to which Sir

Robert Giffen points render it desirable that we should look all the more closely into the question of our local burdens, just as the conditions of British industry make it needful that some limit should be put to the transfer of trade and manufacture to municipalities, and just, also, as the best interests of the community suggest that the average apathetic municipal elector should "wake up," and not allow British industries and British local government to drift too much into the hands of men who, if not Socialists themselves, are willing to act in strict accord with socialistic aspirations.

Socialists and The Municipalities.

The application of the phrase "Municipal Socialism" to the innumerable forms of municipal trading and to the direct employment of labour is fully warranted by the fact that the local authorities concerned, whether avowed Socialists or not, are carrying out the Socialist idea, and the nature of this idea is, perhaps, the point that claims first attention.

"On the political side," says Mr. Sidney Webb, in "Socialism in England," "Socialism involves the collective control and ultimate administration of wealth production." In an appendix to the report of the Labour Commission Mr. Tom Mann wrote:—"The control of industry by the State or municipalities is advocated because it is believed that such collective control would best secure the interests of all sections of the community." But for the aspirations of Socialists in general, and the way in which they hope to secure them through the medium, in the first instance, of local government, we cannot do better than turn to the following resolution, passed at the International Socialist Conference held in Paris in September, 1900:—

Seeing that the term "Municipal Socialism" does not signify a special kind of Socialism, but simply the application of the general principles of Socialism to a particular department of political activity;

And seeing that the reforms connected therewith are not, and cannot be, put forward as the realization of the Collectivist State, but that they are put forward as playing a part in a sphere of action which Socialists can and should seize upon in order to prepare and facilitate the coming of the Collectivist State;

And seeing that the municipality can become an excellent laboratory of local economic activity, and, at the same time, a formidable political fortress for the use of local Socialist majorities against the middle-class majority of the central authority when once substantial powers have been obtained;

The Congress declares:

That it is a duty of all Socialists, without misunderstanding the importance of the wider political issues, to make clear to all the value of municipal activity, to recognize in all municipal reforms the importance which attaches to them as "embryos of the Collectivist State," and to endeavour to municipalize such public services as the urban transport service, education, shops, bakeries, medical assistance, hospitals, water supply, baths and washhouses, the food supply and clothing, dwellings for the people, the supply of motive power, public works, the police force, &c., and to see that these public services shall be model services as much from the point of view of the community as from that of the citizens who serve it.

That the local bodies which are not large enough to undertake themselves any of these reforms should federate with one another for such purposes.

That in a country where the political system does not allow municipalities to adopt this course it is the duty of all Socialists in such bodies to endeavour to obtain for municipal authorities sufficient liberty and independence to obtain these reforms.

Here surely is evidence sufficient that "Municipal Socialism," whether called by that name or by the alternative titles of "Municipal Enterprise" or "Progressive Municipalism," is, in point of fact, Socialism pure and simple, and is regarded by the Socialists themselves as merely a stepping stone to "the realization of the Collectivist State."

The next point to inquire into is how far the abstract principles of the Paris resolution are being actively advocated and enforced by the Socialist parties in this country.

In Great Britain the Socialists are represented mainly by three organized bodies—the Social Democratic Federation, the Independent Labour Party, and the Fabian Society. Of these the first-mentioned is the oldest. It started in 1881 as the Democratic Federation, and its first definitely Socialist pronouncement was about two years later, when it issued a manifesto headed "Socialism Made Plain," following this up by a change of name, in 1884, to its present title. The Independent Labour Party, constituted in 1893, is a much more active body in regard to propaganda. As defined by Mr. J. Bruce Glasier, in the official organ of the party:—

The S.D.F. worries itself with mechanical formulæ of economics, and frowns upon every constructive measure not sanctioned in its precepts. The I.L.P., possessed of the faith of Socialism, boldly seeks to achieve Socialism in the midst of existing society.

"In addition," says another authority on the subject, "to its chief aim of organizing a definite Socialist-Labour party in the country, the I.L.P. took upon itself at the outset the task of endeavouring to win the political forces of trade unionism from the control of the capitalist parties, and to combine those forces on an independent political platform. . . . It believes that once the political forces of trade unionism are definitely severed from the capitalist parties the onward march of democracy towards Socialism will be rapid and irresistible." As for the Fabian Society, formed in 1895, that is a body which devotes itself mainly to Socialist educational work among other organizations and the mass of the electors by means of pamphlets, leaflets, and in other ways. It puts forward no candidates of its own, and does not officially take part in elections, though it claims to have been specially successful in getting its members adopted as candidates by other bodies.

The three organizations may differ somewhat in their ideas and operations, but they agree alike in their open avowal of unqualified Socialism, and in their belief that one of the most effectual means of securing it is to be found in the strengthening of their influence on local governing bodies. Their policy is, indeed, as the following details will show, in full accord with the precepts laid down in the Paris resolution.

The Social Democratic Federation has for its object, among other things, "The socialization of the means of production, distribution and exchange, to be controlled by a Democratic State in the interests of the entire community." To this particular end the means of productio' distribution, and exchange are to be "decla and treated as collective or common propert and the production and distribution of wealt to be "regulated by the community i common interests of all its members." In to "palliate the evils of our existing soci

Social Democratic Federation urges for immediate adoption" the following principles *(inter alia)* :—

Eight hours or less to be the normal working day, or not more than 48 hours per week, to be fixed in all trades and industries by legislative enactment. Imprisonment to be inflicted on employers for any infringement of this law.

State appropriation of railways and canals.

The extension of the Post Office banks so that they shall absorb all private institutions that derive a profit from operations in money or credit.

Nationalization of the land, and the organization of labour in agriculture and industry under State or municipal control on co-operative principles.

The compulsory construction by public bodies of healthy dwellings for the people, such dwellings to be let at rents to cover the cost of construction and maintenance alone.

Public ownership and control of gas, electric light, and water supplies, the organization of tramway and omnibus services, and similar monopolies in the interests of the entire community.

The establishment of municipal hospitals and dispensaries, cemeteries, and crematoriums. Public control of the food and coal supply.

In an article contributed to *Justice*, the organ of the Social Democratic Federation, on December 28, 1901, by Mr. J. Hunter Watts, there is the following further exposition of the views of that body :—

Let us see to it that the proportion of able-bodied workers who are denied employment by the capitalist class because it cannot extract a profit from more than a certain number of them are afforded useful and productive employment by the organized community—in other words, let the State or the municipality organize their labour in the production of the food, housing, clothing, and other necessaries of life which they are able and willing to create, and quite as ready to consume, if any apprehensions are entertained that this State-organized industry might help to swell the glut of commodities which periodically embarrasses the profit-mongering class.

Mr. Watts would have the Socialists "capture administrative bodies, and, through them, initiate the system of production for use which will ultimately supplant production for profit." He continues :—

The capture of a few more seats on administrative bodies by resolute Socialists who have a clear aim and purpose before them—that of building up a co-operative commonwealth—will enable us to guide the policy of a great many of those bodies, for they are mainly constituted of well-meaning people who, having no policy of their own, are only waiting for a lead. . . . The step towards Socialism which we can make through the municipality, the County Council, or the board of guardians may be only a short one, but it is one we shall never require to retrace.

The same writer, in an article entitled "How to Force the Fighting," contributed by him to *Justice* on May 31 last, speaks of the "conspiracy of silence," with which, as he alleges, the "capitalist Press" has treated the Socialist movement, and he goes on to say :—

Indubitably the most favourable opportunities to force the fighting will present themselves as soon as Socialism gains stronger representation on administrative bodies, which, guided by its principles, will fearlessly champion the cause of the masses while the classes are still relying upon the protection of their privileges by the enforcement of class-made laws. Indications are not lacking that local administrative bodies will soon come into collision with the legislative authorities, and we must inspire the former with sufficient resolution to prevent them from knuckling under. Mankind owes as large a debt of gratitude to the law-breaker as to the law-maker. In the future it is more likely to increase its obligations to the former than to the latter. The growing opposition to municipal trading which is being organized by the capitalist class is but a muttering of the storm that will burst as soon as the community makes a serious effort to compete production for profit out of existence by organizing production for use. It is not for us to endeavour to avert or delay the collision we foresee. The people should hasten it by electing delegates who will endeavour to fulfil the mandate they receive regardless of legality or illegality. Let us remove the reproach that we are "a law-abiding people," for that term, shaped as a compliment on the glib tongues of politicians, means only that we are statute-respecting fools.

The Independent Labour Party aims at the creation of "an Industrial Commonwealth founded upon the socialization of land and capital"; one of the methods by which it hopes to secure this aim is "the independent representation of Socialist principles on all elective bodies"; while its programme demands, among other things, the enactment of the following measures :—

1. A *maximum* eight-hour working day, a six-days working week, with the retention of all existing holidays and Labour Day, May 1, secured by law.

2. The provision of work to all capable adult applicants at recognized trade union rates, with a statutory *minimum* of sixpence per hour. In order to remuneratively employ the applicants, parish, district, borough, and County Councils to be invested with powers to—(*a*) organize and undertake such industries as they may consider desirable; (*b*) compulsorily acquire land; purchase, erect, or manufacture building, stock, or other articles for carrying on such industries; (*c*) levy rates on the rental values of the district, and borrow money on the security of such rates for any of the above purposes.

Nor are these demands regarded as merely dreams, for in a pamphlet entitled "The Independent Labour Party: What it is and Where it Stands," one may read :—

The practicability of Socialism is shown in no better way than by recent advances in municipalization. The great point which experiments in municipalization have proved beyond dispute is that public authorities can organize labour and provide for the needs of the people, not worse, as was held until recently, but very much better than private capitalists. Every town council in the country is contemplating some greater or less application of the Socialist idea to its own special circumstances. So with the ideas which underlie all working political action Socialism is effecting a revolutionary change. The old notions of individual enterprise are going.

In the same spirit is the following extract from a lecture on "Socialism and Politics" delivered by Mr. J. W. Mackail, under the auspices of the Independent Labour Party, at Clifford's-inn-hall, on February 5, 1902 :—

The penetration of Socialist ideas has already gone so far that a certain amount of Socialist or semi-Socialist work is actually being done through a capitalist Parliament and capitalist municipalities. The more of such work is done, by whatever hands, the greater is the advance made in what is the present-day work of the Socialist party—education towards revolution. Even what is called gas and water Socialism is not without this educational side. The nationalization, or municipalization, of large public services constitutes a series of useful object-lessons towards the communization of capital and machinery. The extension of a general control by Government over the conditions of industry is a step, though but a small one, on the way towards the freeing of labour. The provision, by definite enactment, of a living wage both for workers and for those who cannot or ought not to work—a provision which the younger generation may possibly live to see—may result in so great a bettering of the physical life of the people as will enable the preaching of Socialism to be carried on under far more favourable conditions.

The "basis" of the Fabian Society, to which we may next turn, lays down that it "consists of Socialists," and that it works, among other things, "for the transfer to the community of such industrial capital as can conveniently be

managed socially." For the attainments of the ends it has in view "it looks to the spread of Socialist opinions, and the social and political changes consequent thereon," and the chief object to which it devotes its resources is "the education of the people in political, economic, and social subjects." On the question of the nationalization and municipalization of industry the best exposition of Fabian Society views will be found in the following resolution which it brought before the International Socialist Workers' and Trade Union Congress held in London in 1896, though the same ideas, in less concise form, are still to be found throughout the great number of leaflets and pamphlets which the society issues in the interests of the propaganda :—

In view of the importance of losing no opportunity of transferring industrial capital from private to public control, and securing to as many wage-workers as possible the comparative independence and permanence of employment enjoyed by public servants, especially in the more democratic countries, this congress recommends all workers to agitate and vote in favour of :—

1. The immediate nationalization of all mines, railways, canals, telegraphs, telephones, and other national monopolies ;

2. The immediate municipalization of the supply of water, gas, electric light ; of docks, markets, tramways, omnibus services, and pawnbroking ; lake and river steamboat services ; and of all other local monopolies ;

3. The immediate undertaking by public authorities of : (*a*) the manufacture and retailing of tobacco and bread ; of the supply of coal, milk, and other universal necessaries ; and of the building of dwellings for the workers ; (*b*) the manufacture and retailing of alcoholic drinks.

A further resolution submitted by the Fabians declared that, while the "process of evolution towards the Co-operative State" was proceeding, various measures were urgently demanded to relieve the pressure in the industrial market, included in them being "the manufacture by the Government and municipality of all commodities required by them," and "the extension of municipal activity to the complete supply of all common services," together with the provision of healthy dwellings for the workers.

The Fabian "Labour Policy for Public Authorities" includes a normal eight-hour day for all public *employés*, not less than trade union rate of wages, direct employment of labour as far as possible, fair wages clause in all contracts that cannot be avoided, and the granting of permission to local trades councils to use the town-hall or other public buildings for the purposes of their meetings, either free or at a nominal charge.

That these aspirations of the British Socialist societies are in full accord with the resolution of the Paris international conference will have been already observed ; but, as further indicating present-day tendencies, reference might also be made to a Bill introduced by the Italian Government early in the present year, as the result of Socialist agitation in that country, in order to facilitate the municipalization of the public services. The Bill set out that in addition to the taking over of water, lighting, tramways, omnibuses, baths and washhouses, abattoirs and markets, municipal bakeries might be established ; a municipality might undertake the production and distribution of electric power derived from rivers ; it might plant nurseries for the supply of fruit and other trees and shrubs ; it might provide for the conveyance of coffins to the cemeteries, and arrange for the establishment of night refuges for the destitute, while power was even given for a municipality to acquire a monopoly of bill-posting within its own area.

This brief outline of the aims, aspirations, and methods of Socialist organizations at home and abroad in regard to the administration of local government may be commended to the serious attention of those who have hitherto failed to perceive how the municipalization alike of public services and of private enterprises which is being carried on by so many local authorities of the "progressive" type is proceeding on the exact lines laid down by the Socialists for the attainment, not of any saving on the rates, or any "improvement" of public services, but of the "Collectivist State" of the Paris resolution, the "Industrial Commonwealth" of the Independent Labour party, and "the socialization of the means of production, distribution, and exchange," as defined by the Social Democratic Federation. Whether they realize the fact or not, and whatever their motives may be, the local authorities in question are undoubtedly playing the Socialist game. For some years, as a leading official of one corporation has forcibly said, they have been "stampeding towards Socialism," and the Socialists might almost have left matters in their hands without making any special efforts on their own part. But the successes already attained, and the evident willingness on the part of so many local rulers to adopt the Socialistic Idea, though not accepting the Socialist name, have combined to spur the Socialists on to still greater efforts in order to effect the capture of British local government ; and a degree of energy is being shown by them which suggests that the average ratepayer will have to bestir himself if our local governing bodies are to be preserved from becoming Socialist not only in their ideas but also in their constitution.

The principal means by which the Socialists hope to secure their hold on these local governing bodies is by the formation of what are known as Municipal Workers' Committees. The committees vary in constitution and in their programmes in different towns, but, speaking generally, they are formed of delegates from the local trade unions, trade councils, Socialist bodies, and co-operative societies, and they are supported by local levies or by voluntary contributions from the members of the affiliated societies. The candidates are nominated in the first instance by the trade unions, trade councils, or ward groups, and those selected have to pledge themselves to the programme recognized by the committee, which body defrays their election expenses either entirely or in part. Of the various developments to which this form of organization has led some details will be given in later articles.

With regard to the practical help which the trade unions are giving to the Socialists in the carrying on of their campaign, a recent writer in the *Independent Labour Party News* has claimed that in the trade union branches "the young men now 'coming to power' are either Socialists avowed or steeped in Socialist thought. There are now," he declares, "426,000 trade unionists—embracing several of the most

aristocratic trade societies—combined with the Independent Labour party, the Fabian Society, and the Social Democratic Federation, for the purpose of promoting Parliamentary candidates in the Labour interest." The various "splits" in the ranks of the Liberals have put still greater opportunities in the hands of the Socialists to strengthen their hold on the working-class members of that party, and to develop the Socialist at the expense of the crippled Liberal organization. Then another writer in the *I.L.P. News* affirms that, "man for man, working-class Socialists have ten times more energy and political skill than is to be found in the ranks of their opponents," while still another, writing under the title of "A Member of the Old Socialist League," said in a recent issue :—

The one great factor in the political field which the Socialist should grasp just now is the change of attitude which is being forced upon the trade unions. For the first time in the history of the labour movement in England there is a real likelihood that definite Labour representation on a considerable scale will be obtained in the near future. The economic development, the experience of the last few great strikes, and the recent reactionary interpretation of laws by the Courts have all conspired to drive the unions into political action.

These remarks refer, of course, more especially to Imperial politics, but there can be little doubt that the same conditions apply also to matters municipal and that still more vigorous effort is likely to be made by the Socialists in the future than in the past. The main source of consolation open to those who are opposed to them is to be found in the dictum of Mr. Bernard Shaw that the greatest obstacle to Socialism is represented by the Socialists themselves ; and at present there is not much prospect that they will agree to sink their differences and transform their factions into that one combined Socialist party which some among them are advocating.

Socialist Sunday Schools.

Meanwhile the Socialist groups are endeavouring to convert the world to their own way of thinking, and one of the most significant facts of all is that an active propaganda is being carried on for the spread of Socialism even among—children ! It is evidently thought that if the Socialists should fail to convert the present generation of voters they will at least do what they can to make sure of the next. This aim they seek to realize by means of the Socialist Sunday-school—an institution which was started at Battersea some years ago, and has since spread to various parts of the country. In London there are four of these schools ; and the London branch of the Independent Labour Party recently issued, under the title of "Socialism for Children," by Katherine Bruce Glasier, a pamphlet of 16 pages, in which instruction in Socialist doctrines is imparted in language specially adapted to the juvenile mind. Even here the idea of "capturing the municipalities" is impressed on our future burgesses, as will be seen by the following extracts from the last page of the pamphlet :—

Now I think I have shown you fairly clearly what we Socialists want ; and how all the land and machinery and the strong men and women of our country will be needed for workers if their ideal is to be realized. And I have said that the laws must be changed to bring these things about. And that is why Socialists are trying to get into Parliament where the laws are made, and into the county, town, and parish councils and the School Boards where the laws are carried out.

But for Socialists to get into Parliament the people must vote for them.

Now neither the Conservatives nor the Liberals want to change those laws which allow landlords and capitalists to hold the land and machinery against the people. But the Labour Party (or the Socialists) do want to change these laws.

So we Socialists want the voters to give up voting for Conservatives and Liberals and to vote for the Labour men—that is, for Socialism. And I think all happy children will want to see the Socialists succeed.

Glasgow claims to be the present headquarters of the Socialist Sunday-school movement. Not only are eight of these schools carried on in that city, but there is even at Glasgow a Socialist Sunday School Union, which brings out a halfpenny monthly magazine, called *The Young Socialist*, "in the interest of Socialist children of the country." As a sample of the kind of teaching that is evidently given in the Socialist Sunday-schools the following may be quoted from an article published in the April issue of the magazine in question, under the heading, "How fairy stories are true" :—

Take for example the giants—such as we are told Jack the Giant-killer killed. They were very wicked. They killed men and women, devoured little children, they grabbed up enormous riches, they were big, ugly, gluttonous, and drunken monsters. Well, don't we know that men and women and children are being cruelly killed to-day by war in many parts of the world—and especially at the present moment by the war in South Africa ? And don't we know that poor people are compelled to live in crowded unwholesome houses by what we call landlordism ? And don't we also know that the working folk in our warehouses and factories are always kept poor, no matter though they work long hours every day and produce abundant food and clothes and houses by their labour ?

And what are war, and landlordism, and capitalism that do these horrible things ? They are the great chief giants, which the giants of selfishness, falsehood, ignorance, and the like which dwell inside our own hearts and minds have elected to rule over us ! You cannot see any of these giants with your eyes—but you can see, only too clearly, the terrible havoc which they constantly make in our own and other countries.

And the good fairies ! The little, wise, and kind powers —do we not see what good and beautiful work they do ? Do we not see how they make us try to be kind to one another ; how they make us try to spread knowledge among the people ; how they try to get the town councils to build wholesome houses, have parks for children to play in, and how they strive through you and me to help the great and shining power of Socialism to destroy the monster giants of war, landlordism, and capitalism, that fill the world with fighting, poverty, ugliness, and misery ?

In the same issue, under the heading "Pour l'Internationale," there is a letter from Paris signed "Jean Gombert," and addressed "To my Dear young Sister and Brother Socialists of Great Britain." Here the Socialist Sunday-school children are taught much more vigorous doctrines than those appertaining merely to the capture of town councils, for this Parisian firebrand says, among other things :—

It is only when fathers of families have from their childhood learned to hate clericalism that they will not allow their children to be brutalized by a priest-ridden class ; it is only when workmen have from their youth learned to detest capitalism that they will not be renegades of their class—vile, cringing slaves of their worst exploiters ; it is only then, not wishing to be passed by by the young generation, as is only then, I say, that the old generation, weary and resigned, will revolt at last against their oppressors, carrying bravely aloft their red-coloured flag. And they will

march to the assault of society, bourgeoise and vitiated as it is; guided by the young they will break down the barriers between peoples; they will overturn thrones and altars, and they will unite—in the sacred words of the "International"—men of all races, of all nationalities, and of all religions in the same impulse of brotherly love.

II.

(THE TIMES, AUGUST 23, 1902.)

In the previous article evidence was adduced from the official programmes of the various Socialist bodies, and from published statements by leading members thereof, to show that one of the chief aims of the Socialist propaganda is to secure the transfer to elected bodies alike of all "public services" (such expression being understood in the widest possible sense), and of all the means of production, distribution, and exchange, not only "in the interests of the entire community," but with the idea of eventually securing the creation of a Democratic State or Industrial Commonwealth. It was further shown that the Socialists aim at bringing about these results by, in the first instance, the capture of seats on administrative bodies; and it was declared that, whether consciously or unconsciously, such bodies were already to a great extent playing the Socialist game.

No one can fail to be convinced of the last-mentioned fact who contemplates the long list of duties, responsibilities, and enterprises already undertaken by local governing bodies, coupled with the rage that some among them show for municipalizing practically everything that they can get within their grasp. Many of these duties and responsibilities, though hardly coming within the range of local government pure and simple, may in themselves be most excellent and praiseworthy. But they nevertheless indicate a marked tendency to take over obligations, trades, and industries exactly on the Socialist lines; they represent a mass of detail and an amount of skilled supervision which it seems incredible that miscellaneous groups of persons, selected more or less at haphazard by the ratepayers, with no special regard to their business qualifications, could grasp, or exercise, in their leisure moments; they suggest an enormous interference with the industrial conditions of the country, quite apart from the burdens they may impose on the rates; and they represent, collectively, a rapid drifting towards the full and complete realization of the Socialist Idea.

MUNICIPALITIES AS GENERAL PROVIDERS.

What, indeed, one finds is that from not only paternal but even maternal cares up to the greatest of commercial enterprises there is nothing too homely and nothing too enterprising for a local governing body of the "progressive" type to take under its charge. In the widened, if not the boundless, field of activity which such a body is now prepared to cover, the British citizen may be the constant subject of corporation solicitude from the time when, as an infant, he is brought up on municipal milk to the day when, as a defunct veteran, he is reduced to ashes in a municipal crematorium. The idea of providing municipal sterilized milk for babes was started at St. Helens a few years ago, the corporation supplying not only the milk but feeding bottles as well, while to each purchaser there were given two teats which she was required to bring at intervals to the corporation milk store, so that they could be tested as to their cleanliness. Liverpool, Dukinfield, York, Ashton-under-Lyne, Belfast, and other towns have since adopted the system, notwithstanding protests which have been raised in certain quarters that the corporations were competing unfairly with the large firms of milk dealers, who could just as well provide sterilized milk as the local authorities themselves, especially when the latter did not have their own farms and their own cows. There have even been proposals that corporations should municipalize the milk supply for adults as well as for babies; but there is no evidence of this having been done up to the present, though it may follow in due course. But in the meantime the municipalization of the liquor traffic is being much discussed. A sub-committee of the Glasgow Town Council had the subject under consideration not long ago, and recommended that body to seek Parliamentary powers to apply for certificates for such districts of the city as they might think expedient, the profits to be devoted to public purposes other than the relief of the local rates; but the proposal was rejected on the ground that "liquor was an unclean thing." Nelson (Lancashire) has also decided against the idea; but the Devonport Town Council have resolved to apply for all the licences which may be thought necessary in new districts within the borough, while several corporations are retaining publichouses which have come into their possession in the carrying out of improvement schemes, and are, in some instances, conducting them through their own manager. From liquor to homes for inebriates will be regarded, by teetotalers at least, as a natural transition; and here we find that various local authorities are prepared to undertake the cure of habitual drunkards, either by setting up homes on their own account or by subsidizing homes set up by other people. Glasgow, for instance, last year bought a mansion in Ayrshire for the treatment of inebriates of both sexes, and the London County Council are spending another £20,000 on the home they have set up at Horley, Surrey.

The municipalization of hospitals finds many strong advocates; and the fact may be recalled that a House of Lords committee, which had the subject of hospitals under consideration from 1892 to 1894, said in their report:—"The committee cannot shut their eyes to the possibility that the time may come when it will be necessary for hospitals to have recourse either to Government aid or municipal subvention." Formerly it was assumed that, whereas local authorities were empowered to build fever and

smallpox hospitals, they could not build or subscribe to general hospitals, and that to this end it was necessary to resort to private Bill legislation. In 1893 Blackburn obtained by this means power to erect or enlarge any hospital, infirmary, or dispensary in the district. The Barry Urban District Council proposed to obtain similar authority; but it was advised by the Local Government Board that, in the opinion of that body, a local authority already had power both to provide and maintain a hospital out of the rates; and the Urban District Council thereupon resolved to contribute £400 a year towards an existing accident hospital in the district, pending the construction of a town hospital. It seems, therefore, that the municipalization of hospitals would be quite a lawful procedure; and not long ago a proposal was brought before the Bradford Town Council—though it was not carried—that the corporation should take over all four of the hospitals in that town, and be responsible for their future maintenance.

But although the majority of municipalities are disposed to leave general hospitals to be supported by private charity as long as possible, a number of them have proposed to erect sanatoria for consumptives, and Sheffield has decided on so doing. The Worcester and the West Riding County Councils have taken steps in the same direction, while Edinburgh has approved a scheme suggested by the medical officer of the city for establishing a retreat for the reception of consumptive patients beyond the hope of recovery. The Halifax Corporation have tried the experiment of providing a convalescent home for scarlet fever patients.

At Middlesbrough the sanitary committee proposed that the town council should obtain a dozen spittoons, and place them in suitable places in the town, but the suggestion was not adopted. In another instance a sanitary committee recommended that tubes of serum should be prepared, at the cost of the rates, for cases of diphtheria and puerperal fever, and eventually for all other diseases, and given to those of the local residents who wished for them, the average cost of such tubes being 3s. 6d.

As for the last stage of all in life's journey the municipalization of cemeteries is a well-recognized cry. The Hull Corporation set the example in January, 1901, of opening a municipal crematorium, at a cost of £3,122, the total number of cremations during the year being 17. They have recently spent a further sum of £450 on an ornamental rockery, near the crematorium, affording space for 1,000 urns; and it is said that "in the opinion of several members of the parks and burials committee this addition to the crematorium grounds will do something to popularize cremation in the city." In other words, people who did not want to be cremated before are expected to approve when they know that their urn will rest on a nice piece of municipal rockery. Liverpool, Glasgow, Cambridge, Exeter, Sheffield, Walsall, and other municipalities have obtained powers to establish crematoria of their own; but under a Bill introduced by Lord Monkswell in the Session of 1901 burial authorities can now levy rates for the purposes of crematoria without having to go to Parliament for private Bills.

With regard to local markets, it is, of course, quite in accordance with the traditions of our social history that such markets should be under the control of the local authority, and some towns there are which receive a very good income from this source. The ratepayers of Manchester benefit from their markets to the extent of £15,000 a year, and those of Liverpool about £14,000 a year. Belfast makes over £5,000 a year, Blackburn over £4,000, Preston nearly £4,000, Norwich £3,000, and many other boroughs smaller sums. All this is perfectly legitimate, but municipal markets are now leading to the erection of municipal slaughterhouses, and these are being succeeded by municipal cold stores and municipal ice manufactories. At Bradford two syndicates had opened cold stores and an ice-making plant, and were being extensively patronized by retail butchers. Their premises, however, were some distance away from the local markets, and the corporation resolved to have cold stores of their own on land adjacent to the St. James's Market. Opposition was raised on the ground of undue competition with private trading; but it was argued in reply that there was room enough for both private and municipal trading, and the corporation scheme was carried out at a cost (including an extension of the market) of £23,000. Large amounts have been spent on similar projects at Manchester, Liverpool, Birmingham, Leeds, and elsewhere. The Wolverhampton Corporation have obtained power not only to sell ice to market people, but to dispose of the "surplus" of their ice-factory stock to the general body of traders in the town. Thus, if they want to supply ice to every one in the borough who desires it, the corporation need only see that the "surplus" is large enough to meet all possible demands.

Cardiff has a municipal fish market, and claims that it has reduced the price of fish by 33 per cent. The Torquay Corporation breed rabbits on a large tract of land where water is collected for the municipal waterworks, and the money realized by the sale of them on the market goes towards "reducing the rates." The venture has answered so well that the corporation have now gone in for sheep-farming in addition. At Tunbridge Wells the corporation grow hops on one of their sewage farms, and claim to get a better return from them than the private growers do. The Liverpool Corporation cultivate beet-roots on the Walton sewage farms. At Colchester there are municipal oysters, which help to pay the rates. There have been proposals in various quarters that all the existing bakeries should be bought up by the municipalities and carried on in the name and to the profit of the community. What would happen if the municipal bakers went out on strike because, say, being trade unionists, they refused to bake for "blacklegs," or if the municipal bakeries themselves were conducted on the same general lines as the Works Department of the London County Council, may be left to the imagination.

The Brighton Corporation own the local racecourse, and make from £2,000 to £3,000 a year from it; but the municipal racecourse at Pontefract adds only about £50 a year to the local exchequer. At Doncaster, also, the corporation own the racecourse, and apply the profits to the relief of the rates. Brighton and Southborough, near Tunbridge-wells, have municipal theatres. The one at Southborough was built at a

cost of £6,000, of which half was paid by the urban district council and half by private contributors. The first year's working resulted in "relief" being given to the rates to the extent of about £200.

West Ham not only manufactures its own paving stones, but sells paving stones to contractors at a profit. Many corporations carry on a good business in the residual products of gas. Manchester does a considerable trade in soap, oil, tallow, mortar, and other marketable commodities which it produces from waste, employing somewhere about 2,000 men in the business. Among ironmongers it is a standing grievance that so many corporations deal in stoves and gas fittings; and at Yeovil especially this branch of municipal trading has been developed to such an extent as to arouse much jealousy and hostility on the part of the tradesmen with whom the corporation compete. The supply of electric light fittings and the "wiring" of houses, in addition to the supply of the electric light itself, are also being taken up by local authorities. At Warrington and Birmingham the local governing bodies have been trading in illumination devices. The Birkenhead Corporation have sought powers which will enable them not only "to prescribe the form and nature of meters for measuring the supply of electricity and other fittings and fixtures," but also to "manufacture, supply, examine, test, and stamp the same, and to make and enforce by-laws and regulations" which would authorize them to exact penalties from any one interfering with the monopoly they would thus secure. The Sheffield Corporation undertake plumbing work as an enterprise incidental to the supply of water. Both at Southport and at Bradford proposals have been brought before the corporation that municipal tailoring establishments should be set up for the supply of uniforms for the town officials, but in neither case was the project entertained. At Sheffield, not long ago, a deputation from the Tailors' Union proposed that the corporation should start a municipal tailoring establishment. They said that one had been organized at Liverpool and was "a great success"; but when asked whether they meant a great success for the ratepayers or for the municipal tailors, they did not answer; and the decision went against them. At West Ham an inquiry has been made whether the Free Library Committee should not do their own book-binding. It was found, however, that the work could be done more cheaply by sending it out. At Battersea the plans were once approved for a municipal printing office, which would have cost £2,440 for building and £1,200 for type and machinery. In this case the solicitor of the London County Council advised that it would not be legal on the part of that body to sanction a loan for such a purpose. The Battersea Corporation have, however, laid down their own sawmill, where the timber required for building work can be cut as required; the Cardiff Corporation have started a sawmill where the timber they import from Australia can be converted into blocks for wood paving, without the intervention of the middleman; and the cleansing department of the Manchester Corporation is quite independent of outside traders for its supplies of wagons, brushes, and various other things.

In 1901 the Tunbridge-wells Corporation inaugurated a system of municipal telephones to compete with that of the National Telephone Company's system; and Glasgow has followed the example thus set. The result is that business firms are compelled to subscribe to both services, so as to ensure their being able to communicate with all their customers, since some may be on the one system and not on the other. Elsewhere the idea of municipal telephones is spreading, without regard for the fact that the whole of the ratepayers of a town are made responsible for an enterprise of which only a very small proportion of them want to take advantage.

The Westminster City Council established what was probably a precedent by going into business as seat speculators on the occasion of the Coronation which did not come off in June last. With the help of the borough funds they erected stands, the seats on which they offered for sale to the general public, and they spent in advance on decorations the profits they expected to make from the transaction. Here, again, while it may be permissible enough for private individuals to run risks like these, there are obvious objections when local authorities, who are merely trustees of the public funds, embark on such essentially speculative enterprise. The action of the Westminster Council is the more open to criticism because certain private speculators who put up stands on their own account in the Westminster district complained strongly that, owing to the very severe conditions imposed on them by the council, the cost of construction became so great that it was almost hopeless for them to think of making any profit on their ventures.

In some districts in the north of England proposals have been brought forward that municipalities should buy up the coal mines—though how they would raise the enormous sums necessary to attain that object, and whether or not municipalities, employing "direct labour" in the coal mines, would be able to work them better than the companies do, and have less friction with the miners, are matters on which some degree of doubt may well be entertained. The gas committees in some provincial towns have been supplying particular friends with municipal coal at (presumably) municipal rates; and there have been complaints, not only from the local coal merchants, who think their business should not be intrenched on, but, in the case of Yeovil at least, from the general public as well, on the ground that, if the facilities for obtaining coal at municipal prices are to be enjoyed at all, they should be shared all round. Municipal insurance schemes are finding favour in various directions, municipal banking has many advocates, and the questions of municipalities making provisions for allotments, and as to their obtaining powers to acquire patent rights, have also been raised, as well as the concession to local authorities of powers to take over the management of existing canals, and to subscribe to the expense of the formation or promotion of public canal trusts.

That local municipalities should aspire to promote the higher interest of the people by providing free libraries, schools of art, museums, and technical education is generally recognized as both lawful and laudable, though some of them

who already have so many irons in the fire do not quite relish the idea of taking charge of the further item of elementary education as well. The Lancashire County Council make a grant for the teaching of Chinese, on account of Lancashire's close connexion with the East. At Bolton municipal classes have been opened to promote the higher education of policemen, with the result that the Watch Committee have been able to report that "the magistrates had noted an improvement in the manner of the officers while giving evidence." Nottingham enjoys the unique position among English municipalities of managing a University college. It also seeks to improve the knowledge of the people in regard to bird life, the town having a municipal aviary in which both nests and their builders are shown to view, while attached to each section are coloured pictures of the birds, together with brief descriptions in large type of their haunts and mode of life. The London County Council aims at promoting a love of flowers by free distribution of superfluous plants at the end of each summer season; and Glasgow, Liverpool, and Leicester go still further by providing window boxes filled with flowering plants for cottages in the poor and crowded districts. In the case of Leicester each box represents a value of about 5s.

Then there is the question how far a local authority should go in the way of providing recreation or amusements for the people. Parks and open spaces are, of course, especially desirable from the point of view of the public health; and no reasonable person would be likely to object to expenditure on this account, though the Socialists on the Manchester City Council have wanted that body to become land speculators by adopting the principle that when the city buys land for a park, open space, or other public purpose it should also buy up the surrounding land, and thus get the increased value which its action brings about. Following on their provision of public parks, various corporations have sought from time to time for authority to supply apparatus and games, with power to charge for the use thereof; and some, too, have not only provided space for cricket, football, and lawn tennis for the young and active, but have also laid down bowling greens in order to furnish healthy exercise for the middle-aged. On the north side of London a number of local authorities clubbed together with certain other bodies and private donors to buy up the Alexandra Palace and park and devote them to the enjoyment of the public. They were to be self-supporting; but the public have shown less appreciation of the "boon" than had been anticipated, and for the eight months ended December 31, 1901, the place was run at a loss of £2,000. It must be confessed, too, that why farmers living at the extreme end of the county of Middlesex, or railway companies passing through the county without deriving the slightest benefit from palace and park, should be taxed in order to supply residents in the north of London with a means of recreation for which they seem to care so little is not quite clear.

The setting up of State or municipal theatres is advocated in some quarters in the interests of dramatic art rather than in those of the mere pleasure seeker; but a certain candidate for municipal honours at Bradford, who thought that the local authorities should take over practically everything—milk, coal, medical charities, the drink traffic, and so on—even suggested that they should not only have a municipal orchestra and a municipal theatre, where none but the best plays would be produced, but also "a municipal music-hall, where they could take their wives and daughters for a couple of hours' innocent fun." "This," remarked the gentleman in question, who was speaking at the Bradford Liberal Club, "may be looked on as nonsense," (whereat his audience laughed, and said "Hear, hear"); "but what I want to point out and to drive home is that there is no finality to municipal enterprise. We cannot limit our horizon." And, in effect, there are a good many advocates of municipal enterprise who are saying the same thing and acting as though they believed it. The municipal music-hall is still something left for the future. But, in the meantime, the principle of free municipal music is widely accepted in the provision of bands. The idea, too, is evidently spreading, for at the beginning of the present session no fewer than ten local authorities sought (among other things) Parliamentary powers to set up bands at the general cost of the local ratepayers; and the Halifax Corporation have promoted a Bill in which they asked for permission to levy a halfpenny rate towards the cost of organ recitals and other musical performances. Then, inasmuch as municipalities provide outdoor music in the summer, it is urged in some quarters that they should go a step further and also provide in-door music in the winter. Two metropolitan boroughs, West Ham and Battersea, have done so at the cost of the rates; and the Leeds Corporation resolved last June on giving a series of free municipal concerts in the Victoria-hall during the coming winter. When the matter was decided on it was stated that "the scheme would not require rate-aid at present"; but there is every probability that it will require rate-aid if it is persevered in; and some of the promoters seem to regard it as quite a right and proper thing that the rates should be made use of for the purpose.

Corporations whose inhabitants depend for their prosperity on attracting visitors resort to various expedients to further that end. At Blackpool a substantial sum is spent every year in advertising the charms of that popular resort; and the local authorities do all they can to provide entertainments for trippers and visitors, even organizing musical festivals, and contributing £25 a year to a local football club, on the ground that it is one of the attractions of the place. At Brighton the corporation have taken over the Aquarium at a cost of £30,000, and they have run it at a loss to the ratepayers of "anything up to £50 a week," so that when the question came before the council last March as to what should be done with the building one member suggested that it should be either sold or let. Harrogate provides her visitors with municipal fireworks, the theory being that they will put the visitors in such good spirits that their "cure" will be promoted thereby and the reputation of the place as a health resort enhanced. In addition to the fireworks there is to be a kursaal, which will cost the town £40,000; but it is hoped that this sum will in due course be got back from the concert and dancing rooms,

the refreshment rooms, the billiard rooms, and the other attractions arranged for. Bournemouth proposes to erect a pavilion at the shore end of the pier, the cost not to be over £30,000, exclusive of furnishing. Municipal golf links and cycle tracks have also been established at various sea-side resorts ; and there have even been advocates of the municipalization of bathing machines.

And all these enterprises or undertakings, in addition to the more commonplace duties connected with public health, building regulations, streets, and so on, are to be carried on, at the cost, or, at least, at the risk, of the ratepayers, by representatives who may have had no experience in any one of them before they were elected, and whose tenure of office is subject to the caprice of the electors, yet who are supposed not only to understand all these things from the moment they are elected, but to be able to conduct them efficiently in whatever leisure time may be left to them from their private business or from those personal concerns which must naturally claim their first attention.

In any case, it would seem to be a difficult matter, even for the Socialists, to make very many additions to the foregoing list ; and the statements on the programmes already quoted as to what municipalities should do seem almost to sink into insignificance as compared with all that they have actually done, and that, too, on precisely those lines which these programmes have laid down in their definition of Socialist aims and aspirations.

I find that in my first article I gave the date of the founding of the Fabian Society as 1895, instead of 1883. This correction, however, does not in any way affect my argument.

III.

(The Times, August 28, 1902.)

THE INCREASE IN LOCAL BURDENS.

Whatever may be the precise view entertained by either the avowed or the unconscious Socialists as to the scope and tendency of present-day local administration, no one can deny that the effect of the developments brought about therein has been an enormous increase of public burdens in respect alike to municipal debt and local rates. It is certainly startling to find that, whereas between 1874 and 1899 the National Debt was reduced by £137,000,000, the municipal debt was increased by £183,000,000, and now stands at the huge total of over £300,000,000. Serious enough as this debt is in itself, it becomes still more serious when we find that in many instances it is out of all proportion to that rateable value which constitutes the chief item in the available assets of the community. Taking the case of eight representative towns, Sir Alexander Henderson, M.P., has shown that Huddersfield has borrowed £563 against each £100 of its rateable value ; Manchester £534, Bradford £438, Nottingham £390, Birmingham £386, Leeds £367, Sheffield £305, and Liverpool £230 ; and he has further shown that, while the total increase in the rateable value of the country in the last 25 years has been less than 30 per cent., its local debt has trebled.

The customary reply given to such figures as these is that the municipal debt has been incurred mainly on account of remunerative works or enterprises which are not only a source of more or less "profit" already, but will lead to the cities or towns concerned finding themselves in a most prosperous condition when, some decades hence, the loans have been eventually paid off. An argument of this sort hardly gives sufficient consolation to those who find that, whatever the future may bring forth, the rates are steadily advancing all over the country, and in many places are assuming proportions which, coupled with the increasing Imperial demands, traders and private individuals alike find burdensome in the extreme. Between 1869 and 1899 the taxation for the purposes of local expenditure in England and Wales rose from £17,000,000 to £38,000,000 ; and in some places the rates have gone up as much as 6d., 8d., 10d., or even 1s. in the pound since last year.

Municipal "Profits."

This question, too, of profits, present or prospective, on remunerative works has led to endless discussion, and doubts have arisen in many quarters whether they do not too often exist rather on paper than in actual fact. There are, for instance, suggestions that in regard to many speculative enterprises undertaken by local authorities sufficient allowance is not made for depreciation, reserve, sinking fund, or other items, while too high a value is put on available assets ; and it is alleged that, if municipal accounts of trading enterprises were always made up on commercial lines, they would often show very different results from those represented. At Sheffield, for instance, it was reported that a net profit of £32,000 had been made on the working of the tramways for the year ended March ; but this amount was simply the difference between income and expenditure without providing anything for contingencies. No allowance whatever had been made for depreciation, although in a debate on the subject in the city council one member argued that the amount of depreciation which ought to be allowed for was £35,000 per annum, while another member suggested that by unsound book-keeping one might make a business show a magnificent profit while all the time one ought to be in the hands of the Official Receiver.

There is, too, the undeniable fact that expenses incurred in one department are sometimes transferred to another, with the effect that they are paid out of the rates instead of out of profits, and do not appear as part of the original cost or of the expense of working the enterprise in question. In many towns the expenditure incurred in respect to street widenings carried out exclusively in the interest of the tramways will be charged to the improvements account, and thus be borne by the general rates, although it may be that the streets in question would be ample for the ordinary traffic of the locality but for the taking of the tramways along them, and although in the case of a tramway company such widenings

would have to rank as cost of construction. There may sometimes be difficulty in fixing the due proportions that should be allocated to tramways and improvements respectively, but there is only too much reason to believe that in most cases the tramways get the full benefit of the doubt by as much as possible being thrown on the general rates.

In the same way a good proportion of the value of sites for municipal dwellings may be written off as "improvements," and paid for out of the rates. At a meeting of the Poplar Borough Council in March last the electricity committee proposed that a sum of £2,015 which they had expended on new stone in making good the roads they had disturbed in carrying out cable trench work should be charged to the general paving account; but the suggestion was rejected by the council. Then, at a meeting of the Hackney Borough Council on March 25, in the course of a discussion on the finances of the borough, Councillor Kyffin is reported to have alleged that "there had been a manipulation of figures in the electric lighting account, which ought to have shown clearly what had been the loss in that department. Instead of this certain amounts had been allocated to other committees." Similar stories come from many other places, based on the official accounts of the departments concerned. It is, again, quite a common procedure for municipal trading concerns to show either no charge at all, or only a nominal charge, for clerical and other work done in the town clerk's, treasurer's, and surveyor's offices, the proportion which the enterprise in question ought to pay thus falling either entirely or in part on the general rates, and making the trading accounts appear more favourable than they should. Here is a case in point from the electric light works account of the county borough of South Shields:—

ESTABLISHMENT CHARGES OF THE CORPORATION.

—	Total for year ended March 31, 1901.	Charged to Electric Light Department.
	£ s. d.	£ s. d.
Town clerk's department	1,780 9 8	*Nil*
Borough engineer's department ...	1,929 6 10	*Nil*
Borough accountant's department	1,314 4 7	50 0 0
	5,024 1 1	50 0 0 or about 1 per cent.

Another common practice in regard to electric light department accounts, with a view to giving them a more favourable complexion, is to put down an excessive amount for public lighting. Thus in a certain group of towns the charges for the electric lighting of the streets ranged from 3·53d. to 5·90d., whereas the commercial value of the light as supplied in each case should not be more than 2½d. to 3d.

While, therefore, it may be perfectly true that municipal enterprise can and should be made to "pay," especially in the case of large towns, it does not necessarily follow that the results are so financially favourable as they are represented to be; neither does it necessarily follow that, because a municipality can show a profit where only gross inefficiency would produce a loss, therefore it is desirable that a speculative commercial enterprise should, as a matter of policy, be taken out of the hands of the private trader.

To the everyday remark that "you can prove anything with figures" might be added "especially corporation figures;" for it is certain that they are too often "manipulated" in order to represent imaginary or excessive profits, or to minimize, if not to conceal, more or less serious losses; and the fact that this system of book-keeping goes on, unchecked by any system of compulsory Government audit in provincial boroughs, tends to throw doubt on the whole subject of municipal profits from speculative undertakings. Further, as against the profits that are claimed by some towns there are losses sustained by others of so serious a nature that no attempt is made to deny them. A list has recently been compiled, from official sources, of 60 towns which, on a capital expenditure of £6,000,000 for municipal electric lighting, lost £92,000 thereon in 1901—this figure being irrespective of an allowance of 3 per cent. for depreciation, the addition of which to the figure just given would increase the total loss on the year's working to £272,834.

Then there must be put against the declared profits, or added to the admitted losses, the amount which the local authority would receive in the way of rates, rights of way, &c., if the undertakings were in the hands of private companies; and it is quite conceivable that in many instances a corporation would gain a good deal more from this source and make a much better bargain for the community than by trying to carry on themselves a speculative business of which they may have no practical knowledge.

How corporations stand to lose instead of gaining by the enterprises in which they indulge may for the present be sufficiently illustrated by the following financial statement issued by the Cardiff Property Owners' and Ratepayers' Association.

MUNICIPAL TRADING AT CARDIFF; HOW IT PAYS.
CARDIFF CORPORATION IN ACCOUNT WITH THE RATEPAYERS.

Capital expenditure on the following adventures—£283,631.

Profits. £ s. d.	Year ended March 31, 1901.	Losses. £ s. d.
9 15 3	Electric Light	—
—	Baths	1,698 15 8
779 2 6	Central Market	—
—	Hayes Fish Market (five weeks) ...	70 5 0
—	Canton Market	1,444 7 8
3 13 1	Heath Market	—
—	Burial Board (this loss may be further increased)	1,157 8 8
£792 10 10	Loss	£4,368 17 0
	Deduct Profit ...	£792 10 10
	Net Loss	£3,576 6 2

£283,631 capital at 4 per cent. would produce £11,334 profit.

If it be assumed, however, for the sake of argument, that municipal trading leads to profits rather than to losses, it does not necessarily follow that direct relief will be given to local burdens in the form of reduced rates. In some places there is no pretence of making such reduction, and the profits are applied rather to the cheapening or to the improvement of the services from which they have been derived, so that the ratepayers run their risk in the sole interest of the user. In other towns the practice has been to take the profits from one branch of municipal trading to make up for the losses on another; while still another form of procedure may be illustrated by the various towns which utilize the profits from their trading enterprises to do things to which they could not properly apply the rates at all. There is one large town where the profits made out of the alleged unduly high charges for

municipal gas have been used for the erection of a costly technical school, which is thus regarded as representing the proceeds of a special tax on the gas consumers. On the other hand, assuming that the profits made on a municipal gas works go in reduction of the general rates, then we arrive at the position that Yorkshire wool merchants, for instance, who burn practically no gas, but are comparatively large ratepayers, get the full benefit of the profits provided by the gas consumers without adding to those profits themselves. The problem of how to make profits is thus followed by the further one of what shall be done with them when they are made.

The Leaning Towards Extravagance.

Apart from the questions arising in regard to the various phases of municipal trading schemes, it is to be feared that for a good deal of the expenditure to which the increasing local burdens are due we may not hope for any monetary return whatever. Many corporations have been compelled to spend large sums in adapting their cities or towns to present-day ideas or requirements, or in providing more efficiently for the health and well-being of the people ; and in this way much has quite properly been expended on public works of a non-remunerative character. Whether it be that there is an undue rivalry between neighbouring towns, that there is a growing disposition towards extravagance, that corporations which look to making profits from their enterprises think they need no longer be so "careful," or that the responsibility for local affairs is drifting more and more into the hands of Labour members and others who do not understand questions of public finance, certain it is that the ratepayer's money is being spent and the ratepayer's credit is being pledged in a way which suggests the prevalence of an erroneous idea that there is no limit to his resources, and that economy can be thrown to the winds. Even where the local authority consists mainly of well-to-do business men there is a disposition to think that "the credit of the town" renders necessary a degree of expenditure far in excess of the available assets of the community ; and the ease with which money can be borrowed often leads to the raising of loans in respect to expenditure which ought really to be charged to current funds. So it may happen that even local authorities of this type will lend a favourable ear to all manner of Socialist or semi-Socialist ideas without realizing in what direction they are drifting. If they represent a wealthy community the risk to themselves may not be very great ; but there is a serious danger that other communities will want to follow their example ; and, as Mr. John A. Fairlie says in his book on "Municipal Administration" :—

> The danger of excessive debt is most serious in the smallest cities. The largest cities, while they have the largest debts, have also the largest resources, and also the best developed financial administration. The cities of modest size, however, which attempt to equal the works of the metropolis without its available sources of revenue are very likely to find themselves in serious difficulties.

But, whether the community be great or small, there would seem to be in the administration of local affairs generally too great a disposition to assume that everything can be done regardless of expense, that every new public building put up should be of so elaborate a character as to be "worthy" of the real or supposed "importance" of the town, that one locality must not allow itself to be "behind" its neighbour, that speculative enterprises of all kinds may be safely indulged in at the cost of the rates, in the belief that they will "pay," that the pleasure and recreation of the people may be a legitimate charge upon the community as well as their health and safety, and that the administrators of local government need have no consideration for economy in the discharge of their duties, since they always have the bottomless purse of the ratepayers to dip into. In many cases one cannot but feel that, even if there has not been actual extravagance, yet provision might have been made for local requirements at a somewhat less lavish expenditure for bricks and mortar, especially when one remembers how the really unavoidable demands in regard to "health and safety" are increasing the dimensions of both loans and rates. One reads, for instance, of a new hall for the West Riding of Yorkshire County Council which has cost £120,000 ; of new municipal buildings for Walsall, the estimates for which amount to £80,000 ; and of £100,000 spent on a new workhouse infirmary at Southampton, where the local indebtedness has been increased by £600,000 during the last 15 years, and the rates are expected to soon be anything between 10s. 5d. and 10s. 10d. in the pound. Even communities consisting mainly of a working-class population will set up costly buildings or institutions of a type which would be in keeping with the reputation and wealth of a large and important city, and they do so the more readily as the cost falls on the local manufacturers rather than on the local workmen. Thus, in an article published on March 11, under the heading "A Plea for Municipal Economy," the *East End News* says :—

> If we may point to West Ham—and we do so in no captious spirit—we would be inclined to tell the council of that borough that the elaborate ornamentation of the structure of the institute buildings in Romford-road might well have been curtailed, and some thousands of pounds saved without in any sense damaging the usefulness of a valuable institution. Then, again, there is at this moment in course of construction for the West Ham Guardians a new infirmary, situate at Whipp's Cross, on the border of Epping Forest. The structure, with its turrets and towers and its ornate external surroundings, might very well be mistaken for the palatial residence of a multi-millionaire. Remembering the use to which the buildings are to be put, that internal luxury for the indigent poor is undoubtedly not a portion of the building scheme, on what ground may be excused this elaborate decoration of the exterior ? Without doubt some thousands of pounds may be classed as extravagant expenditure.

In this same borough of West Ham (about which there is more to be said in a later article), no less than £300,000 has been spent on a lunatic asylum, the buildings for which (including a church and a theatre) have a width of about a quarter of a mile and a breadth of an eighth of a mile, comprise a mile of main corridors, and are provided with, among other attractions, two full-sized billiard tables, eight bagatelle tables, one small grand piano, one large semi-grand piano, and eight cottage pianos. Everything about the asylum has, in fact, been done in the most complete and modern style ; and the burgesses of West Ham who are likely to

go distracted under the pressure of increasing local taxation (the rates of the borough being now 10s. 8d. in the pound, and "still rising") may at least console themselves with the fact that a really comfortable place has been provided for them in the ultimate event of their enforced retirement.

Then the largeness of the sums expended on public swimming baths may be regarded as open to criticism. It may be urged that swimming ranks more legitimately under the head of "sport" than of "public health"; and certainly, though bathing and cleanliness are essential to health, the man who is not clean before he goes into a swimming bath is likely to be a source of danger to other swimmers, whatever benefit he may derive from it himself. Moreover, it is a recognized rule (to which, however, there are a few exceptions) that municipal swimming baths involve an annual loss; and in the circumstances it is a matter for consideration whether local authorities could not make reasonable provision for the needs of the community without indulging in quite such lavish expenditure as is often resorted to under this head. It is no unusual occurrence for sums ranging from £25,000 to £60,000 to be spent on a single set of baths; but, unless it can be shown that there is some expectation of their being self-supporting, there should surely be a greater degree of economy shown in regard to the cost of building. The Chelsea Borough Council recently discussed a scheme for proposed new baths on so elaborate a scale that it was said £60,000 would not cover the cost. The council resolved not to spend the money; but the Fulham Borough Council have spent £43,000 on baths and washhouses, and at the opening ceremony the Mayor admitted that it would be something like 20 or 30 years before the baths would pay for themselves, and until that time the ratepayers would have to submit to a rate of 2d. in the pound. Liverpool has resorted to the happy and most successful expedient of providing in certain districts open-air swimming baths, supplied with hot water, at a cost of only from £700 to £3,000 each; and they answer the purpose quite as well as elaborate buildings would do. The addition of washhouses to public baths is theoretically a great boon to poor women; but, as a rule, the extent to which they are used scarcely warrants the heavy outlay, while in Shoreditch and other places it has been found that the washhouses were made use of by persons who took in other people's washing, thus competing with the business of the ordinary laundry keepers. When, in addition to the swimming baths, private baths, and washhouses, there is a further provision of douche, Turkish, Russian, plunge, medical, and other baths, all at the expense of the ratepayers, and rarely self-supporting, one may well ask if some greater degree of consideration is not due to the interests of those long-suffering persons.

The Cost of Local Administration.

It is to be feared, too, that in the conduct of the ordinary details of municipal life, and especially in the management of municipal enterprises, there is a disregard for economy which would never be tolerated by the responsible managers of any well organized private concern. Mr. R. Thompson, auditor for the borough of Rochdale, has shown, for instance, how, in the session of 1900, a deputation numbering 14 persons went to London from that borough on various dates between January and July, in connexion with the Rochdale Tramway Bill, staying in the metropolis for periods of three, five, six, twelve, and even fifteen days at a time, at a total cost to the borough of £546. "It was, perhaps, necessary," he said, "that some of those individuals should go to London on the dates named, but once when they went there was nothing for them to do. To him it seemed awfully bad management on the part of somebody." In another instance he found that "a deputation of four individuals went to London to interview one man," at a cost of £28, while the total amount to be paid by the borough for "deputations" during a single year was over £900. Deputations to London form, indeed, quite a noteworthy feature of provincial municipal life; and there is only too much reason for supposing that they are often undertaken on grounds altogether inadequate, and are mainly regarded as little holidays for hardworked aldermen and councillors. Then there are trips to other provincial towns to see what they are doing on particular points of municipal enterprise, and visits of inspection to the corporation's own undertakings. Mr. J. W. T. Morrissey, the elective auditor for Liverpool, has thrown a little light on matters of this kind in a report from which the following items are extracted, many others of the same kind being also given :—

The Baths Committee's annual inspection on 22nd May cost the ratepayers the sum of £27 1s. 6d., made up as follows :—

Twenty-four dinners at 7s. 6d.	£9	0	0
Champagne	9	16	6
Other wines and spirits	2	15	0
Minerals, coffee, and cigars	5	10	0
	£27	1	6

On March 14 a deputation of the Tramways Committee went to Preston to inspect the electric cars in course of construction. The fact that such excursion was entirely unnecessary did not prevent the deputation from spending £18 6s. of your money, as shown in the following account :—

Twenty-one dinners at 6s.	£6	6	0
Thirteen bottles of champagne	7	3	0
Other wines and spirits	1	10	0
Minerals, coffee, &c.	1	6	0
Cigars	1	16	0
Apartments	0	5	0
	£18	6	0

In another report, dealing with the Corporation accounts to the end of 1901, Mr. Morrissey shows that up to that date the expenses in connexion with the incorporation of Garston amounted to £2,851 12s. 10d., the items including the following "refreshment expenses for four days" :—

121 luncheons at 5s.	£30	5	0
Waiters for same	3	15	0
Six dinners at 4s.	1	4	0
Flowers	0	6	0
Waiters and ice	1	3	0
Sundry dinners and drinks	11	5	6
Cigars	2	0	0
Wine and spirits (129 bottles)	20	6	4
Total	£70	4	10

In regard to legal charges he found that it cost £34 7s. 4d. in expenses to pay £30 to the

owner of a horse for damges done, while the payment of £60 to an individual for personal injury involved legal charges amounting to £92 17s. 8d. The expenses of members of the council engaged in deputations and other business out of town came to £1,087 for the year. Among these deputations was one of six members of the council, with two of the officials, who had a trip to Ostend, Cologne, Bremen, Hamburg, Berlin, and Hanover, in order to inspect the cattle markets there, with the view of getting ideas for the improvement of the Stanley cattle market. "Committee inspections" during the year cost the city a total of £812. Thus the "inspection" of parks and gardens cost £85 15s. 2d., that of city hospitals £40, streets £36 0s. 3d., and sewage farms £23 5s. 6d.

Similar statements regarding the cost of municipal management at Leeds have been published by Mr. J. Dransfield, one of the elective auditors of the city, in a pamphlet of 32 pages, entitled "Municipal Extravagance, or Reasons Why the Public Should Protect Their Interests." As a sample of the items he has found among the municipal accounts of the borough I extract the following:—

TRAMWAYS COMMITTEE, 1901.

Eleven luncheons, 38s. 6d.; 11 coffees, 5s. 6d.; two bottles champagne, 42s.; liqueurs, 3s.; 13 cigars at 9d., 9s. 9d.; 12 cigars at 1s., 12s.—£5 15s. 9d.

ELECTRIC LIGHTING ACCOUNT JANUARY 13TH to 31ST, 1900, GREAT NORTHERN HOTEL, LEEDS.

Tea and sandwiches, 3s. 0d.; luncheons, £4 16s. 1d.; teas, 17s. 6d.; suppers, £3 10s.; whisky, 10s.; claret, 4s.; ale and beer, £2 3s.; mineral waters, £1 12s. 6d.; whisky, 5s.; claret, 4s.; minerals, 4s.; cigars, £1 13s. 4d.—Totals.—testing plant, £13 13s.; general expenses, £2 9s. 4d.—£16 2s. 4d.

PARLIAMENTARY COMMITTEE ACCOUNT, WHITE HART HOTEL, HARROGATE, MARCH 11, 12, 14, 15, 1901.

Three dinners, 12s.; champagne, 10s.; whisky, 3s. 6d.; minerals, 4s.; cigars, 25s.; fires, 6s. 6d.; baths, 1s. 6d.; breakfasts, 15s.; rooms and attendance, 22s. 6d.; sitting room and lights, 10s. 6d.; telegram, 1s. 4d.; whisky, 2s.; minerals, 2s. 8d.; suppers, 2s. 6d.; dinners, 12s.; drinks, 2s. 6d.; fires, 4s. 6d.; baths, 1s.; breakfasts, 9s.; rooms and attendance, 13s. 6d.; tea, 6d.; whisky and soda, 1s. 6d.; sitting room and lights, 10s. 6d. Total, £8 14s., discount, 4s. 4d.—£8 9s. 8d.

WATERWORKS COMMITTEE, URE VALLEY SCHEME.

April 17.—Luncheons for five guests, cold chicken and tongue, 5s. 6d.; salmon and sauce, 7s. 6d.; tarts and cheese cakes, 1s.; ten cakes, 1s. 8d.; cheese and butter, 2s. 6d.; two French rolls, 1s. 4d.; one bottle whisky, 4s. 6d.; eight bottles soda water, 4s.; one bottle Hochheimer, 5s.; hire of cutlery, &c., 3s. 6d.—£1 16s. 6d.

LIBRARY COMMITTEE.

August 9, 1901.—Teas for 13 guests at 4s., £2 12s.; whisky and soda for three persons, 2s.; one liqueur, 6d.; 18 cigars, 9s.; three cigarettes, 3d.—£3 3s. 9d.

SANITARY COMMITTEE.

Pd. September 13, 1901, W. Towle, Queen's Hotel.—Six luncheons at 7s., £2 2s.; four bottles wine at 4s., 16s.; one bottle Scotch whisky, 4s. 6d.; soda water, 6s.; lemonade, 1s.—£3 9s. 6d.

WATERWORKS ACCOUNTS.

June 21, 1901.—Seventy-five Flor de Cuba cigars, £1 9s.

To judge from these figures, there would seem to be compensations for the arduous labours of municipal life; though why the various "enterprises" carried on should be debited with charges in respect to all this guzzling, and whether the interests alike of the undertakings and of the ratepayers in general are promoted by so much consumption of salmon and sauce, tarts and cheesecakes, whiskies and sodas, and the smoking of so many ninepenny or shilling cigars for the well-being of the municipal tramways, electric lighting, waterworks, free libraries, and so on, are matters which outsiders will consider as very much open to doubt.

Occasionally, as has been already shown inregard to Liverpool, the outings of town councillors go much further afield than visits to local waterworks, to London, or to provincial centres. Continental trips at the cost of the public purse seem to have become quite a feature of English municipal life. Not long ago a deputation from the Bolton Corporation made a journey through Europe to inquire what different countries were doing in regard to technical education; and the Leicester Corporation sent a deputation all over England, and then to Brussels, Hamburg, Berlin, Vienna, Budapest, and back by way of Paris, to ascertain the latest developments in tramway construction. It is quite possible that in each instance valuable information was obtained; but it is absolutely certain that ordinary commercial undertakings would get such information without burdening the enterprise with such heavy charges in respect to preliminary inquiries.

Still further evidence of the disregard which is apt to be shown for the pockets of the ratepayers is afforded from time to time by the comfortable surroundings with which, in some places at least, it is thought that local government should be conducted. The conversion of an ordinary room in the Hackney Town-hall into a "Mayor's parlour" has, for instance, been reported to have included the following items:—Painting and decorating, £35 2s.; an 8ft. carved oak sideboard, £32; Turkey carpet, £23; overmantel and mantelpiece, £20; curtain poles, &c., £15; 5ft. carved oak writing table, £12; best morocco all-hair couch, £9; six chairs to match, £18; two arm chairs, £12, and other articles, making altogether £154 14s. for furniture, and a total of £189 16s. for painting, decorating, and furnishing combined. Another instance of the same sort comes from Heywood (Lancashire), where one of the elective auditors, in addressing a public meeting, complained of the cost of furnishing the new offices for the corporation. He did not object, he said, to good furniture, but such items as £8 18s. 6d. for a tea service, £4 6s. 6d. for a tea urn, £1 19s. for two cases of fish carvers, and sundry amounts for champagne nippers, surprise corkscrews, game carvers, and other nicknacks were a waste of public money. Then in Mr. Dransfield's pamphlet on "Municipal Extravagance" in Leeds, already referred to, one may read:—

1901.—Stair rods for stairs in Town-hall, £28 7s.: nine pairs écru lace curtains for Lord Mayor's room, £38 5s.; balusters for crypt in Town-hall, £56.: extra carriage, per passenger train, of balusters despatched January 12, 1901, £7 5s.

So as to be quite ready for the Lord Mayor's ball in April, 1901.

Mr. Dransfield also gives details as to the spending of £137 14s. 6d. on furnishing a room for the Electric Lighting Committee, among the items being one of £15 17s. for a hat, coat, and umbrella stand.

It may appear somewhat paltry to dwell on these things, but they all help to show how it is that the rates are going up so steadily. It is not only the carrying out of great public works called for by the health and safety of the community; the adventure of local authorities into all sorts of municipal enterprise; and the provision of municipal luxuries for the "masses" at the expense of the presumably well-to-do—it is not only these things that are sending up the rates, but the whole system, also, of carrying on local government in accordance with that fundamental principle of the municipal Socialist, who would have us believe that the ratepayer's purse is a horn of plenty to which, as to his own particular schemes, there is no finality whatever. The realization, also, or at least the expectation, of "profits" in some departments of municipal effort has, doubtless, had much to do with encouraging expenditure, if not extravagance, in other directions, and has thus tended to demoralize the whole municipal system.

School Board and Poor Law Expenditure.

There is, however, no suggestion that the increase in the local burdens is due entirely to the action of the municipalities. In places where the rates have gone up to any considerable extent the usual practice is for one local authority to lay the blame on another. Municipality, School Board, and Board of Guardians will each proclaim its own regard for the laws of economy, and lament that the other bodies are such spendthrifts. But the fact is that the spirit of municipal socialism is affecting all public bodies in this country more or less. On School Boards as on municipalities, there is the same idea that everything possible must be done for the "people," without regard for the financial well-being of the classes above them who will have to provide the greater part of the money. So it is that excessive notions in regard to education are prevailing more and more in towns, while the rural districts generally are framing their own policy on the urban model, whether suited to them or not. Labour members, too, are exploiting School Boards in precisely the same way as they have exploited municipalities, in the special interest of the classes they represent; and the insistence by them on "fair wages" clauses in the building of schools and the efforts they make to secure the contracts in regard either to building or to painting for the firms which pay the highest rates of wages have done much to send up the cost of construction. One late chairman of a provincial School Board tells how the cost of a Board school with which he was concerned was forced up to £30 per head of the children to be accommodated, while a national school in which he was also interested cost only £5 per head. This same authority asserts that another of the greatest causes in the increasing cost of School Board education is the outcome of a trade union element among the teachers, who, he declares, make use of any advance in pay granted in one town to secure similar advances in others, and regard each fresh success they gain as merely a starting-point for further attempts in the same direction.

In the capture of boards of guardians individuals of socialist leanings are still more interested than they are in the capture of School Boards; and to this fact is due in no slight degree the increasing cost of Poor Law administration. The workhouses of 40 years ago were, undoubtedly, too often a disgrace to humanity; but the tendency to-day is to go to the other extreme. In the matter, also, of outdoor relief Socialist or labour guardians have been no less generous—at the expense of the large ratepayers—to individuals with whom they have had more or less "fraternal" sympathy. Still another cause for the increased cost of Poor Law administration in certain districts is to be found in the action of trade unions in enforcing the *minimum* wage system, which naturally militates against the employment of elderly men, and drives them on to the parish. Colonel Preston, Local Government Board Inspector, brought forward this point at a meeting of the Northampton Guardians. The reply of the labour members was that the trade unions raised the standard of wages, and so enabled men to make provision for their old age. As against this, however, there is the well-established fact that when labour members of local governing bodies secure a *minimum* wage for municipal *employés* there is an immediate dismissal of the elderly men who have hitherto been employed at a moderate wage in street sweeping, and have earned their money, but are not worth the higher rate of pay, the result being that individuals of this class are invariably obliged either to go into the workhouse or at least to seek parish relief.

One more factor in the increased expenditure on Poor Law administration has been pointed out by the chairman of the Chorlton (Manchester) Board of Guardians, who declared that since the question of old-age pensions had come to the front every person over 60 years of age seemed to think that he or she had the right to go to the guardians and receive relief. The consequence was that during the past 12 months they had a large number of people receiving relief who ought to have been kept by their own children. The Socialist view would seem to go still further, for in a paragraph published in the *Labour Leader* of April 12 in reference to the Socialist candidate for Osmaston Ward on the Derby Board of Guardians it was said:—"He holds that the guardians should guard the poor by providing employment for all persons out of work."

It will be seen, therefore, that in any inquiry as to the causes of the increase of local burdens the action of School Boards and boards of guardians must also be borne in mind. The trail of excessive expenditure as the outcome, to a great extent, of various forms of municipal Socialism is seen in every direction; but the money comes from the purse of the ratepayers, whatever the particular body that spends it; and the sum total of the whole position is, as Mr. Fairlie has said, that "the enormous development of municipal debt constitutes one of the serious problems of municipal finance." The whole situation constitutes a no less serious problem for the individual ratepayer, while industrial enterprises, already severely handicapped by Imperial taxation and foreign competition, are especially burdened by this excessive local expenditure, so much of which is either unwarrantably extravagant or wholly ill-advised.

IV.

(The Times, September 2, 1902.)

LOCAL RATES AND COMMERCIAL ENTERPRISES.

From the greatest undertakings in the land down to the occupant of a single-room tenement in a model lodging-house, whose rent has been raised on account of the demands of the rate-collector, there is hardly an interest or an individual unaffected more or less by the heavier local burdens. On the one hand there is jubilation among the advocates of municipal trading at the "enterprise" which the corporations are showing, and among the holders of Socialist ideas at the way that local authorities are themselves carrying out the Socialist programme; and, on the other hand, financiers, railway magnates, manufacturers, professional men, struggling shopkeepers, the very charwoman whose landlord tells her that in future she must "settle direct with the rate-collector," are one and all lamenting the increased demands which they have to meet. Their complaints may be unreasonable from the point of view of the municipal socialists, who would make them perfectly happy with the thought that in another 20, 40, or 60 years, when their city or borough has paid off its debts, the place will be in a high degree of prosperity. But the present-day ratepayer has more concern about surmounting present day difficulties than he has for making the municipal paths smooth for posterity; and the private trader especially, who may have to meet municipal competition while bearing a full share of the municipal obligations, wants to know how he is to survive at all until the arrival of the promised millennium. Even where the actual municipal competition does not come in there is the active foreign competition in its place; for Great Britain is surrounded by swarms of jealous rivals filching one bit of her trade here, another bit there, and showing a disposition never to be satisfied until they have got it all. From their own Governments they receive every possible support and encouragement, whereas in Great Britain the tendency is for State interference with industries to be followed up by municipal action either in taking up these industries or in handicapping them with heavy rates and excessive assessments.

Of the way in which corporations may prejudice individual ratepayers a single illustration must here suffice. At Leeds a certain Eli Spurdens, who at one time worked on his father's farm, started as an omnibus and cab proprietor, erecting large premises and building up an extensive business. Besides letting out cabs and wagonettes, he ran a regular line of omnibuses to Burley and Cardigan-road. He did very well until the corporation introduced their electric tramcar service in Cardigan-road, and then people would no longer ride in his omnibuses, although he reduced his fares to a penny. He thought he might still be able to run his omnibuses on other routes, but the electric cars abolished the omnibuses entirely. His business was ruined, and he had to sell off his stock. At this time the stock included two of the latest type of omnibus, themselves comparatively new. They had cost £145 each, but at the sale they fetched, the one, £4 10s., and the other, £7. "Nobody," he told the Judge in bankruptcy, before whom he next appeared, "wanted 'buses now in Leeds or anywhere else." Commenting on the facts here narrated, Judge Bompas, before whom the bankruptcy proceedings came, said:—

> The system of corporations entering into trading is perfectly justifiable, but it always brings with it a great deal of personal hardship and suffering, and I think where a municipality by undertaking things like tramways, by entering into competition with private traders of the town, ruins the business of those traders, although, it may be, no compensation either honorary or in law can be given to them, yet I do think that, if it leads to bankruptcy, they ought to be treated with very great consideration.

There is not much probability of municipal traders' undertaking to compensate those with whose business they interfere; for already they seem to be much worried by the problem as to what new sources of revenue they can tap (apart from the actual raising of loans) for the conduct of their enterprises or for ordinary local purposes.

The Fine Arts of Municipal Finance.

Failing other openings the rating of machinery is being carried to lengths which, from an industrial point of view, are regrettable in the extreme.

The harm that injudicious action in this respect may do is well shown by what has recently happened at Derby. Some manufacturers there were advised by London and Manchester warehousemen to undertake the making of the various kinds of mantle and dress trimmings comprised in the term "passementerie," which had been hitherto obtained chiefly from Saxony; and the warehousemen promised them good support if they thought fit to embark on the business. Thus encouraged, some of the manufacturers proceeded to Saxony, and found there would be no insuperable difficulty in starting and carrying on the industry in Derby, thus giving employment to additional workpeople, and conferring an advantage not only on the manufacturers but also on the wholesale houses in this country. It was evident that prices would have to be cut very fine in order to compete with the German makers; but there seemed to be a prospect of a profit, so the needful machinery was laid down, and the industry started. But the manufacturers had reckoned without the rate-collector. Derby is a borough that has succumbed to the attractions of "municipal enterprise." Its corporation have provided or control water supply, tramways, electric lighting, baths and washhouses,

free libraries, museums and art galleries, technical school, garden allotments, lunatic asylums, cemeteries, and slaughter houses. All these things are carried on at the risk of the ratepayers, and, whether the enterprises are "remunerative" or not, the local authorities are evidently keen on raising all the money they can without having to actually increase the rates. No sooner, therefore, was the new industry fairly started than the machinery laid down for the purpose of carrying it on was rated at such a figure as almost to absorb the margin of profit on which the manufacturers had reckoned, and to make it scarcely worth while to attempt to carry on the business at all.

Such is the encouragement that some local authorities, in spite of all their professed anxiety to promote the public welfare, offer to the expansion of British trade, and how the interests of workers as well as of manufacturers may be affected is self-evident. At Sheffield, according to a manufacturer there, every bit of machinery is rated, "even to a type-composing machine which is only a glorified typewriter," and from many other towns come similar complaints of the impediments thrown in the way of an increase in mechanical appliances owing to the imposition of these taxes on industry to meet the demands of local governing bodies.

As is suggested by the illustrations just given, the actual amount of the rates is not in itself sufficient to indicate the weight of the financial burden that has to be imposed. The gathering in of more money without increasing the rates is, indeed, one of the fine arts of municipal finance; for, if it can be done, it means that the local authorities secure more revenue while saving their reputation by not demanding more per pound from the ratepayers. This achievement is accomplished by raising the assessments to the highest possible figure, and how the plan works is shown by the following letter from a Leeds ratepayer published in a local paper last October:—

> In six years the debt of the city has increased nearly £3,000,000. Then the town has been reassessed, and the rateable value put up nearly £1,000,000. This means increased rates at the same poundage, or putting up the rates without altering the amount in the pound.

At Jarrow the rates are low because both the town council and the board of guardians consist largely of owners of tenement property who pay the rates on that property, and are naturally interested in keeping them down. But the same class of man is to be found on the assessment committee; and there his interest is to increase the assessments of manufacturers, because the more they pay the less he will have to find himself, and too often the idea of the rating authority has been to make the assessment as high as they think a company will stand. At Falmouth, not long ago, the assessments of business premises began to be raised to such an extent that vigorous protests were made and the rating authority suddenly stopped their procedure, so that the tenants on one side of the street were paying according to one assessment and those on the other side were paying on another. At Swansea a recently increased assessment made so much difference in the receipts that it was possible to reduce the amount of the rates; but this, of course, did not mean that the townspeople were either spending less or contributing less.

Docks and Railways.

In regard to docks and railways it will be seen that the injury to the companies concerned is serious enough; but the excessive burdens imposed on them militate against the interests of the trade and the people of the country as well. Dock companies must recoup themselves to a certain extent at the expense of the shipowners for the heavy burdens they have to bear in respect to local taxation, the shipowners will recoup themselves at the cost of the traders, and the traders at the cost of the consumers. Just in the same way the railway companies will regard the local taxation they pay as a formidable item in the list of expenses they must meet in fixing their rates and charges; and here again it is the public who ultimately suffer, either because those rates and charges cannot be reduced below such a point as will (among other things) meet the heavy local taxation, or because the railways are restrained from offering to their patrons the further facilities and advantages which they would willingly provide if the financial outlook were more satisfactory.

In regard to the local burdens on docks it will be sufficient to allude to the London and India Docks Company, who pay local rates in 23 different parishes, their properties including the East and West India Docks, the London and St. Katharine Docks, the Royal Victoria and Royal Albert Docks, the Tilbury Docks, and many up-town warehouses. In 1890 the total amount paid by the company for local rates was £58,499. In 1900 the total was £101,116, an increase of over £42,000 in ten years. It is true that in the meanwhile the company had enlarged their premises from time to time; but the rates to be paid in regard to additions or improvements would not be very great, and the bulk of the £42,000 is to be accounted for by the increase in the rates per pound in the different localities. In the parish of West Ham the company pay £6,000 a year on the School Board rate alone. The sum total of their contributions to local government purposes represents nearly 2¼ per cent. on the deferred ordinary stock; and this means, of course, as much out of the pockets of the ordinary shareholders. From the point of view of the Socialists, these stockholders are "capitalists," and therefore undeserving of consideration. But, as it happens, the deferred stock in the London and India Docks Company is distributed among 4,600 holders; and although a certain proportion of these are the possessors of considerable quantities, and are thus entitled to the Socialist term of reproach aforesaid, there is a very large proportion indeed of holders—professional men, small shopkeepers, and others—who have only about £100 worth of stock each. The same remark applies to many other great industrial undertakings; and, though it may be perfectly fair that the enterprises in question should pay a reasonable contribution towards the cost of maintaining the public health and of carrying on the ordinary details of local government in the districts concerned, it is not so easy to understand why investors of the type mentioned should have to pay for providing the local residents with recreations and other things from which the undertakings in question do not derive the slightest possible advantage, while these same undertakings are owned by limited liability com-

panies which have no voice whatever in the expenditure of the money.

In railway finance the constant increase of rates and taxes is one of the most serious of problems. On the Great Western Railway the total amount paid for rates and taxes during 1901 was no less than £444,074, as compared with £220,715 in 1891, an increase in ten years of over £223,000. On the London and North-Western Railway the increase in rates and taxes for the second half of 1901 was £19,000; the London, Brighton, and South Coast Company paid close on £12,000 more, the Great Northern and the London and South-Western each £10,000 more, the Great Eastern nearly £9,000 more, and the South-Eastern and Chatham £7,000 more. The Lancashire and Yorkshire Company was lucky in getting off with an increase of not much over £1,000. The North-Eastern Company find that, whereas in 1891 rates and taxes represented 12 per cent. of the ordinary shareholders' dividend, in 1901 they represented 24 per cent., or nearly a quarter of the company's income; while the Great Central Company's experience is that in the last ten years their rates and taxes have increased over 60 per cent.

The total amounts paid for rates and taxes by the railway companies in England and Wales, Scotland, and Ireland respectively in the years from 1894 to 1900 (the latest date for which the Board of Trade railway returns are available) are as follows:—

Year.	England and Wales.	Scotland.	Ireland.	Total.
	£	£	£	£
1894	2,509,183	219,641	86,448	2,815,272
1895	2,689,423	232,945	88,362	3,010,780
1896	2,838,525	222,415	87,949	3,148,889
1897	2,946,632	248,669	98,300	3,293,631
1898	3,045,766	272,992	105,581	3,424,339
1899	3,187,364	283,123	111,150	3,581,637
1900	3,341,512	292,019	123,622	3,757,153

Thus in the course of seven years the sum total paid increased by close on £942,000. In the case of 39 railway companies for which other figures are available the amount paid by them in rates and taxes rose from £2,142,956 in 1891 to £3,729,528 in 1901, an increase of 73·45 per cent., although during those ten years the capital of the companies had increased by only 20·72 per cent. and the gross receipts 26·37 per cent.

It will be seen that the figures given above include the item of taxes as well as rates. Still more striking, therefore, from the point of view of the present article, is the following table showing the amounts which one of the great London railway companies has paid in the years mentioned in respect to parochial rates alone:—

Year.	Amount Paid.	Increase or decrease over previous year.
	£	£
1882	76,703	+ 8,512
1883	81,654	+ 4,951
1884	83,030	+ 1,376
1885	82,403	− 627
1886	89,270	+ 6,867
1887	96,236	+ 6,966
1888	99,513	+ 3,277
1889	104,502	+ 4,989
1890	106,692	+ 2,190
1891	102,642	= 4,050
1892	110,956	+ 8,314
1893	123,321	+ 12,365
1894	135,849	+ 12,528
1895	135,311	− 533
1896	151,009	+ 15,698
1897	160,074	+ 9,065
1898	162,930	+ 2,856
1899	171,247	+ 8,317
1900	180,001	+ 8,754
1901	199,429	+ 19,428

This represents a grand total of £2,452,772 which a single company has paid in local rates between 1882 and 1901. It also shows an increase of £122,726 in the amount paid in 1901 as compared with the figures for 1882. Considerable expansions or improvements had undoubtedly been brought about on the company's system during the period in question; but the increase in the local rating was out of all proportion to the increase in the value of property. Such figures, however, may be regarded as applying, approximately, to all the great railway companies having their headquarters in London.

While on the one hand railway companies have had to meet these greater demands from the local authorities, they have, on the other, also experienced severe competition from tramways, to the cost of which they have often had to contribute their share through the rates. Thus the London and North-Western Railway Company contribute to the support of tramways in 46 different places in the country, and in the course of the last six months of 1901 they carried 422,000 fewer third-class passengers. As the falling off was mostly in regard to penny fares, it is accounted for by the working of tramways, and particularly electric tramways, near the great cities. On the Midland system there was a decrease of 316,000 third-class passengers in the same period, representing a money loss of from £3,000 to £5,000; and here again the decrease is attributed to the competition of electric tramways in large towns like Bradford, Sheffield, Birmingham, Bristol, and Nottingham. In Yorkshire, the Great Northern carried 500,000 fewer passengers during the course of half a year, owing to the competition of tramways, some, at least, of which have involved a considerable burden on the public purse, having proved to be very costly and dubious undertakings indeed. Other railway companies have had similar experiences, and the London and North-Western Railway Company last year subscribed £1,650 to the city of Manchester on account of the deficit shown by the working of the Manchester Ship Canal, which is in direct competition with the company's Lancashire lines.

Where the Railway Companies Pay the Rates.

There are many country parishes where a railway company will pay half the rates, although it has not even a station in the place. There are others where the proportion paid by a railway company is 75 per cent., and there are some where such a company will pay practically the whole of the local rates. In a list which has been prepared of 69 selected parishes the total rateable value of the parishes is £434,375, and the total amount to which a single railway company is assessed in regard to its lines and properties in

those parishes is £203,891—nearly one half of the whole amount. A memorandum, published in the report of the Royal Commission on Local Taxation, shows that in six parishes, where the general assessment per acre of land varies from 18s. 6d. to £6 1s. 6d., the assessment per acre of land in the same parishes occupied by the Great Western Railway ranges from £38 to £284. Thus in the parish of Basildon, with a population of from 600 to 700 persons, the total acreage is 3,083, the total general assessment £10,193, and the general assessment per acre £3 6s. The main line of the Great Western Railway Company runs through the parish (presumably without much benefit from "local traffic"), and for the privilege of owning 24½ acres of land there the company is assessed to the extent of £6,974, which gives the £284 per acre mentioned above. In the parish of St. Helen's, Abingdon, the population is 6,000, the acreage 3,184, the total general assessment £2 934, and the general assessment per acre 18s. 6d. The same company—according to the official return—own two and a quarter acres in the parish, and for this they are assessed to the tune of £187, which is at the rate of £63 per acre.

There are two parishes, inhabited mainly by cottagers, where the total assessment amounts to about £14,300. Of this sum £10,750 falls on a certain railway company which happens to have a junction there. Some difficulty arose in the hamlets—which are essentially agricultural—about the disposal of soap suds (not sewage) from the cottages; and, on the matter being reported to the Local Government Board, that body came to the conclusion that a drainage scheme must be carried out for the combined parishes. This was accordingly done, at a cost of £6,700; and the figures given above will suggest the proportion of this cost which has had to be paid by the railway company, not because it derived any advantage from the drainage (the company having its own independent arrangements), but merely because its lines pass through the parishes. The drainage scheme had necessarily to be followed by a water supply scheme, in order that the sewers could be flushed, and later on it was thought necessary to supplement the local Church schools by a Board school, so that here, again, a large proportion of the expense fell on the railway company.

These illustrations must suffice to show the way in which railway interests are handicapped more or less throughout the country by the charges imposed upon them in regard to local government, inasmuch as these charges have necessarily to be met in some way or other out of revenue. It is not surprising, therefore, that, in respect alike to town and country, railway companies are demanding that they should only be rated in proportion to the benefits they themselves may derive from the objects for which the rates are imposed. As regards urban expenditure, while fully recognizing the justice of the demands made upon them in respect to the health and safety of the people, they fail to see why they should be taxed to the full in order to provide them with municipal luxuries, or to help to carry on speculative enterprises few, if any, of which will benefit them, while some, such as tramways and light railways, will be their rivals. Their position in this matter is all the stronger because under sections 211 and 229 of 38 and 39 Victoria, chap. 55, it is specified that land and railways shall be chargeable in the proportion of one-fourth only for all local purposes coming under the Public Health Act. This provision is generally ignored by local governing bodies, which prefer to deal under other Acts with matters that might or should be carried out, if at all, under the Public Health Act, with the result that they are thus able to call on the railway companies to pay the rates in full, instead of in the proportion of one-fourth only. There may be as many as 20 local Bills in the course of a single Session which a railway company has to oppose on this very ground; and the question is being constantly fought out before Parliamentary Committees, with a consequent considerable outlay for law expenses, even if the desired point be gained.

In regard to rural districts the complaint is made that there is an increasing tendency to introduce costly "improvements" of an urban type which, however suitable for a town, where the expense would be divided among a large number of people, are out of place in a thinly-populated locality, and beyond the reach of local resources except on the basis of the chief burden falling on some railway or other company which may not derive from the scheme the slightest possible benefit.

Valuations for Assessments.

There is another grievance entertained by the railway companies against the local authorities, and this is one which suggests not only an injustice, but even a scandal. In Scotland a perfectly fair system is in operation, under which a Crown officer values the railways as a whole, and the total rateable value is divided between the different parishes through which the lines pass. A somewhat similar arrangement is in force in Ireland. But in England and Wales each rating authority makes an independent assessment for its own particular district; and for this purpose it employs a professional valuer, whom it remunerates, not by a stated sum for the work done, but by a commission on the amount of the valuation as fixed by himself and, sometimes, irrespective of whether his valuation shall be maintained or not. In many cases the valuer expects the railway company's officials to do for him the most difficult and laborious part of the work, which consists in preparing from voluminous records the actual receipts of the railway in a particular parish. If this be not done, and if the valuer does not do it himself but makes a hap-hazard valuation, he shields himself behind the statement that, if his valuation is incorrect, it is because the company's officials would not supply him with the necessary *data* to enable him to make a correct valuation. To prepare such a return may require the services of 100 clerks or more for months together, but the work is of a type that can only be done by highly qualified officials and they do it in their leisure hours (the company having to pay them for overtime) since they must not neglect the daily routine of ordinary duties. But, whatever the amount of work done for him, or left to be done by the valuer himself, it is clearly to his advantage to fix the assessment as high,

as he can, and if he cannot increase it at all he may get no remuneration whatever.

The anomalous position here suggested was adversely commented on by Mr. H. B. Middleton, Chairman of the Dorset Quarter Sessions, when giving the decision of the Court in a rating appeal of the "London and South-Western Railway Company v. the Poole Union," on December 12, 1901. In the course of his remarks he said :—

I should like to mention what has been a very serious matter for the consideration of the Bench, and that is the very great objection they see to the course which the Assessment Committee of the Poole Union adopted in making the arrangement of which we have heard during the evidence, that the valuer is paid by results—10 per cent. on any increase he may put on the rateable value. The course the Assessment Committee have pursued is a most unadvisable and a most unwise one, and it may cause further difficulties. It is obvious that by payment in that way a valuer might be put to an incredible amount of trouble, expense, and labour, and if he found that the existing rateable value was a reasonable one he would be paid nothing at all for the whole of his work. It seems to me a most unadvisable course to pursue, and I hope there will be no further instance of assessment committees making such an arrangement as that.

In the circumstances it is not surprising that railway companies should find it necessary to appeal frequently against the assessments of their property; but scarcely a single appeal can be fought out at quarter sessions for less than £1,000, and it is not unusual for the expenses to amount to £4,000 or £5,000. It may, therefore, sometimes be cheaper to submit to an injustice rather than fight against it. Even if the company should win and the local authority be called upon to pay the costs, this will simply mean that the amount will be added to the sum in respect to which the next lot of rates will be levied. The very appeals, too, have to be brought before county magistrates who may not always have the technical knowledge necessary to deal with the questions raised, who may even be members of the assessment committee (it is not long since the decision in a rating appeal brought by the Midland Railway Company was upset on the ground that one of the magistrates was on the assessment committee) or who are not indisposed to see a railway company pay so large a proportion of the rates of a particular district.

So, among other things, it is urged either that in England, as in Scotland, the assessments should be made by a Government valuer, with no personal interest in his own decisions, or that, at least, railway rating appeals should be heard by the Railway Commissioners. There is already power possessed by that body to hear such appeals, should both parties consent, and in former times assessment appeals by railway companies were frequently heard by the commissioners. But it would seem that local authorities have found it more to their own advantage to have the appeals heard at quarter sessions ; and for the last 20 years scarcely a single rating appeal by a railway company has been dealt with by the Railway Commissioners.

All these things considered, one understands more clearly how it is that the burden of increased rates forms a subject for lamentation at the usual half-yearly meeting of almost every railway company in the country, and the burden increases as the so-called "municipal enterprise" expands. The direct loss, of course, falls upon the railway shareholders ; and the fact that in the case of the London, Brighton, and South Coast Railway, for instance, the growth of rates and taxes in one year was equal to one-quarter per cent. of dividend shows how much the interests of investors may be affected, especially when one considers the large sums of money which, in present circumstances, railway companies have to expend, in addition, on their appeals against unfair assessments. But, indirectly, there is injury done to the public interests in addition. Railway companies and large industrial concerns in general are the milch cows of municipal money-gatherers, and the former, at least, as Lord Claud Hamilton, chairman of the Great Eastern Railway Company, remarked at the meeting of that company in January, are obliged to hold their hands in regard to capital expenditure, for "if," as he said, "yielding to the pressure of some local body, they were to build a fine new station anywhere, the assessment on it would go up like a rocket." Against this sort of encouragement by local authorities of railway enterprise in Great Britain may be set an illustration from the City of Boston, U.S.A. It was considered that a new central railway station would be to the general advantage of the people, and thereupon the city purchased a site, compensated the property owners, and presented the land to the railway companies, who constructed on it a central station of such dimensions that it accommodates 27 tracks of railway. No one on this side of the Atlantic would propose that a municipality should present a railway company with a site for a railway station. But the facts given above would suggest that, if local authorities here had wished to handicap railway enterprise in every way possible, they could not have done so very much more than has actually been the case ; and the contrast between the policy adopted in England and that followed in Boston is assuredly striking.

V.

(The Times, September 5, 1902.)

MUNICIPAL *VERSUS* PRIVATE TRADING.

Reference has already been made to the effect of increasing local burdens on industries in general ; but the position is still worse where the municipality either enters into direct competition with the private trader, or else places such difficulties in his way as to prevent him from trading at all. The enterprises which have been the most seriously affected by municipal competition are, undoubtedly, those connected with the application of the various forms of electricity—electric lighting, electric power, and electric tramways ; and it is notorious that nowhere has the application of discoveries and inventions in electrical science been more backward than in Great Britain. This result has been mainly due to the fact of such serious and persistent impediments being thrown in the path of the private trader, in the interests of local authorities. The whole position in the electrical world is still more or less experimental. No one can say that ultimate

results have yet been reached in any one of its branches ; and there are possibilities of new discoveries, or of the application of electricity in fresh directions, which no one can yet foresee, while costly machinery may become out of date, by reason of new developments, and involve new and heavy liabilities before the expiration of those ten or fifteen years which, even in the best of circumstances, represent the expectation of life of such machinery in general. But the Legislature has regarded electrical science as though "finality" had been already reached.

ELECTRICAL LIGHTING.

Certain it is that the first Electric Lighting Act, that of 1882, was inspired by a wish to facilitate "municipal enterprise" rather than by any desire to advance the development of the industry itself. Much had then already been done here by independent effort to lay the foundations of that industry, and greater progress had been made in England than in either Germany or the United States. But exaggerated statements as to future possibilities led to an anticipation that enormous profits would be obtained, and it was thought that local authorities should have it in their power practically to control the industry. Hence the passing of the Act of 1882, which gave to such authorities the right to purchase undertakings at the end of 21 years from the date of the provisional order at the then value of the plant, &c., "without any addition in respect of compulsory purchase or of goodwill or any profits which may or might have been or be made from the undertaking, or of any similar considerations." It was hopeless to think of securing a commercial success for companies worked on such lines as these ; and, though a number of local authorities applied for orders, they found that to carry them out would involve more cost and trouble than they had anticipated, and so they left them alone. A period of six years followed, during which the industry made extremely slow progress in England, while it was advancing by leaps and bounds in Germany and the United States. The Amending Act of 1888, extending from 21 to 42 years the period for which a company might retain possession of its undertaking, was a decided improvement in the situation, though there were still conditions left in regard to valuation and other matters which were regarded as acting unfairly. Once more, too, the local authorities refrained from taking action on their own account until private enterprise had shown the way; and then there was developed a dog-in-the-manger policy of applications being made for provisional orders which were not carried out, but which nevertheless had the effect of checking private enterprise. This policy (or, alternatively, that of exercising the power of veto) was more especially adopted in the case of towns where the corporation were already in possession of gasworks and wished to safeguard them against a possible dangerous rival.

Even when local authorities do themselves undertake to supply electric light the results may be little short of disastrous. Salford had spent £186,766 up to the end of 1901 on its system of municipal lighting, and the loss on working in 1900-01 (without making any allowance for depreciation) was £7,489. Since then a public meeting of the ratepayers, held on February 26, 1902, has passed a resolution expressing the "utmost concern and regret" at "the necessity for closing the Wallness-road electrical generating station, thereby causing heavy financial loss to the ratepayers." According to the elective auditor for the borough, the closing of the station means a capital loss of at least £150,000. The gravity of this loss is the more serious—even if it should be not even heavier still—when it is remembered that though the population of Salford is 218,000 the number of consumers of the municipal electric light in 1900-01 was only 401. Thus a heavy burden falls on the shoulders of the whole of the ratepayers because of the losses on a speculative undertaking which, up to the date in question, only 401 among them had cared to patronise.

The experiences of Bath are especially instructive. Electric lighting was introduced into that city by a local shoemaker of scientific tastes, and the supply was worked by a private company under a Board of Trade licence, granted in 1890. Later on the company sought a provisional order ; but they were opposed by the Bath Corporation, who got a provisional order for themselves in 1896, and took over the concern at a valuation. They thus acquired for £24,500 an undertaking on which a capital expenditure of £43,000 had been incurred by the company, who valued their goodwill in capital account at £5,000, showed a profit of £1,500 in their last balance-sheet, and had worked their plant for only seven years. Under corporation management the works made a deficit of £125 (exclusive of allowance for depreciation) for the year ending 1898, one of £1,937 in 1899, and one of £1,238 on March 25, 1901. In the following winter the works, on which £78,000 had been spent by the corporation, sustained a complete break-down, and the consulting engineer who was called in advised that £70,000 more would have to be laid out to put the works on a thoroughly sound footing. Repenting of their bargain, the corporation resolved to seek for tenders from companies which would relieve them of the business altogether ; but they received only two tenders, neither of which was satisfactory, and they decided to continue the business themselves. Here, again, of course, the heavy losses sustained fall on the whole body of the ratepayers, although out of the entire population of 49,800 persons the number of the corporation's customers for the electric light was only 330.

Bedford, a town of 35,000 inhabitants, obtained a provisional order for electric lighting in 1890, commenced a supply in 1894, was supplying 591 consumers in 1901 from works involving a capital expenditure of £77,000, and by the end of 1901 showed a deficiency of £3,000 on the working, or, if an allowance of 3 per cent. be made for depreciation, a total deficiency of £12,000. Bristol began to supply electric light when coal was 8s. a ton, and there seemed to be a fair prospect of a profit. But coal advanced heavily in price, large additional sums had to be laid out on capital expenditure, and the loss on working in 1900-01 (without any allowance for depreciation) was £2,500. At Morley, out of a population of 23,000, there were last year only 85 consumers of the municipal electric light, which had cost £24,000 to provide, the loss on the year's working being £2,000 ; at Redditch, a town of

13,000 inhabitants, 181 consumers were provided last year with municipal electric light, on which there had been a capital expenditure of £16,000, the loss for the year being £931; and at Monmouth, where the capital expenditure had been £9,000, there was a loss of £607 in providing electric light to 51 consumers out of a population of 5,000. The losses sustained by these smaller towns, which seek to emulate the big cities in municipal enterprise, are no less significant, and no less a burden to the local ratepayers, than the loss of £4,517 last year was to Glasgow, or that of £2,690 to Edinburgh. All these figures represent loss in working only, without any allowance for depreciation. If 3 per cent. should be added on this account the amounts mentioned will be proportionately heavier.

That limited liability companies should run such risks would be quite in accordance with the principles of commercial enterprise; and there is the more reason why they should, because there is no doubt that many of these electric lighting concerns would have been a financial success if they had been in the hands of well-managed companies. As it is, the interests of the ratepayers have suffered by the failure of speculative enterprises which, in many instances, at least, ought not to have been undertaken at all by public bodies more or less incompetent to manage them; and the interests of the electrical industry have suffered by the severe check given to the proper development of the electric light.

Electrical Energy.

In the matter of electrical energy there is no doubt that countless industries, great or small, throughout the country would be enormously facilitated if electric power could be "laid on" to them in the same way as gas or water. Many a trade or enterprise now handicapped by cost of motive power would receive by this means a greater impetus than it could derive in any other direction; and the results might be the conferring of a substantial boon not alone on the persons concerned, but on the country at large, and especially so from the point of view of removing industries from urban into suburban districts.

Here, again, however, the Socialist idea of keeping alike the "public services" and the means of remunerative employment in the hands of the municipalities has prevailed; and, while economy would suggest that electric power should be distributed over a wide area from a common centre, the general tendency of local governing bodies has been either jealously to acquire powers and then not use them, or else to want to set up a separate and distinct plant for each particular district. Elsewhere the enterprise of the private trader has been restrained because he has known that as soon as the local authority heard of his plans they would probably start a scheme of their own, while even if they did not want to do so at once there could be no certainty as to their future policy.

What private enterprise can do in the way of supplying electricity in bulk, when it has a fair chance, may be illustrated by the scheme of the South Wales Electric Power Company, the foundation stone of whose generating station at Pontypridd was laid by Sir Frederick Bramwell last May. The area of the company's operations will cover 1,050 square miles, and comprise the entire county of Glamorgan and the whole of Monmouth west of the Usk, exclusive only of a few places where Provisional Orders are locally in force. Within this area lie the most important colliery, shipping, and manufacturing districts of South Wales. Operating eventually from eight generating stations, the company ought to be able to supply the wants of the area in question far more efficiently, and much more economically, than if each authority in the area in question organized its own independent supply of electric power on the ordinary lines of "municipal enterprise."

Tramways.

From the point of view of the community in general the impediments thrown in the way of private enterprise in regard to tramway construction have had much more serious consequences than the corresponding impediments with respect to electric lighting. If, under the Tramways Act of 1870, the companies had had more consideration shown to them, the tramway system of the country would have attained to a far greater degree of development, with a consequent advantage to many an overcrowded centre of population to-day. The construction of suburban tramways would have been carried out much more extensively, new suburbs would have sprung up, many thousands of people who are now living in more or less insanitary houses in large towns would have had dwellings in healthy surroundings, the housing problem would have been less acute than it is, and the general health of the community would have been improved. One hears on every hand to-day that one of the most effectual remedies for the housing problem is the extension of the tramway system, and the advocates of municipal enterprise are calling loudly on local governing bodies to apply this remedy. That is to say, now that the evil has become acute, municipal bodies are to do, with the help of public money, what private enterprise would have done with its own resources if the Legislature had only given it sufficient encouragement 10, 20, or 30 years ago. The tendency of the Act of 1870 was, indeed, to check, rather than to develop, private enterprise in tramway construction, and to play into the hands of the local authorities. There were two respects, especially, in which this check operated—the purchase clause and the power of veto

Under Section 43 of the Act a tramway company was liable to be bought out at the end of 21 years by the local authority for the bare value of plant, &c., without any allowance whatever for goodwill. When it was seen that, after very heavy outlay, and probably years of unprofitable working, a tramway company could not hope to make much more than 6 or 7 per cent., and would be more likely to get not more than an average of 3 or 4 per cent., and that at the end of 21 years a local authority could take possession of the enterprise built up by the company, giving little more than a scrap-iron value for it, the effect was greatly to discourage the investment of capital in this direction. It was not until the introduction of electricity as a motive power that the local authorities began to bestir themselves in regard to the construction of tramways on their own account; and so it came about that the expansion of the tramways was seriously hampered at a time when the distribution of the

populations of our towns would have prevented much of that terrible congestion which constitutes one of the greatest social problems of the present day. As regards the present situation, if 21 years was too short a period to allow a company to get a sufficient return for its outlay when horse traction was in vogue, it must be especially so now in the case of a costly system of electric traction.

Then the Act of 1870 further stipulated, as a condition precedent to a provisional order, that a company should obtain the consent of the local authorities in respect to two-thirds of any continuous route of tramway. The Act did not impose this requirement in regard to private Bills ; but not long after 1870 the House of Commons, by Standing Order 22, made a similar provision as to Bills, and also required proof of the assent of the authority to be given to the examiner of private Bills. If such proof were not forthcoming the scheme could not go before a committee ; and the veto of the local authority was thus an obstacle to the company's access to Parliament at all. Some years later a similar Standing Order was adopted by the House of Lords ; and though the Standing Orders Committees in both Houses have power to dispense with Standing Orders, should they see reason for so doing, they have refrained from adopting such course in the matters in question, and it is now a well recognized Parliament law that the veto is absolute.

Here, again, therefore, there has been a severe check given to the development of private enterprise in tramway construction. If the local authority has not wanted tramways at all ; if it has been afraid that a tramway would lead to a removal of population beyond its boundary, thus decreasing its receipts from local rates ; or if it has had aspirations of its own for municipal enterprise, it has been able to veto private action altogether. On the other hand, even where none of these considerations have prevailed the local authorities, finding their consent a " marketable commodity," have been able to exploit the companies to their own advantage, granting such consent, but only on conditions which are not often generous, and are sometimes harsh and intolerable, even if the exactions made do not occasionally savour of something very like blackmail. There are municipalities which, it is said, require from the tramway companies a heavy annual rent for the use of their roads, although such rent is in no way authorized by the Tramway Act. In some instances the local authority will put off its date of purchase for a few years, the company paying " rent " in return for this concession. Then a local authority which has a tramway company in the hollow of its hand may impose as the price of its consent a widening of roads in excess of tramway requirements, or the paving and maintenance of the whole width of streets and roads, instead of only the margin of the rails, as required by the Tramways Act. In some cases the tramway company's posts for electric wires are to be utilized by the local authority for lighting purposes ; in others the company has to agree to light the streets from its electric mains. In more than one case there has been a provision that members of the local authority were to have free rides on the tramway · and in one instance, where a private Bill was wrecked owing to the exactions which were advanced, the chairman of a committee of the House of Commons declared that the local authorities had tried to outdo each other in rapacity. An eminent authority on the whole subject has even declared that the charges of blackmailing by local bodies freely made by those connected with tramway companies are met by hints of bribery on the other side, and every one will agree with the suggestion that " it would be highly creditable to the members of municipal and district councils and their officers if this state of things did not lead to personal corruption." It would, at the same time, be highly surprising if the public interests had not suffered by the state of things here described.

The position here is all the more striking when one compares it with what has been done in the United States. Writing on this point in " Traction and Transmission" Mr. R. P. Porter, Director of the eleventh United States Census, says :—

> Without such restrictions as here, United States companies made the best bargains they could with the municipalities, and built tramways often far out into sparsely populated districts which developed into large and handsome suburbs, and the municipalities derive immense revenues from the taxation of communities practically brought into existence by the enterprise of the American street railway. Labour can establish homes in country districts ten or 20 miles away from its work, and to be reached for five cents. . . . In Brooklyn you can ride 18 or 20 miles in the finest car ever built for 2½d.

As for the argument that tramways are a monopoly, and that the local authority should have the profits to be derived from monopolies—especially when they are based on the use of the public thoroughfares—Mr. Porter dealt very effectively with this point in a speech he delivered at a dinner given in his honour in London in October, 1901. He showed that there were then in the United States 20,000 miles of street railways, not a mile of which was " under the fostering care of a town clerk," and the private capital invested was estimated at £300,000,000. But against the profit which private enterprise, with its greater experience, its scientific experts, and its bolder operation in a given field, might derive for its own capital were to be set the substantial sums it contributed to the city treasury, at the same time that it served the public more cheaply and more efficiently. Thus, Mr. Porter continued, the Brooklyn Rapid Transit Company paid over £200,000 annually as taxes, and the Union Traction Company of Philadelphia over £400,000 for taxes and other charges, while the official report from Massachusetts showed, on gross receipts of about £4,600,000 for all the street railways of the State, taxes of £270,000—a trifle over 6 per cent. of gross earnings. In some instances, it would seem, a company will contribute to the local exchequer double or even treble the sum total of the year's profit. One can readily understand, therefore, why in the United States municipalities should be quite content with such returns as these, without attempting to run tramways on their own account, and without hampering the private enterprise which is prepared to take all the risk and all the trouble and, at the same time, provide a more efficient service, worked at a lower cost, than could be offered by any individual municipality.

Even from the standpoint of "relief of rates" the American system of encouraging private ownership brings better results than, speaking generally, the English system of municipal ownership. But of still more importance than the strictly financial aspects of the question is the greater encouragement offered in the United States to the opening up of suburban districts. This consideration alone would be sufficient to give the palm to the American system; and, though efforts are being made now to do here what ought to have been done long ago, municipal ownership has complicated the whole question with problems as to whether, and how far, a local authority should extend its lines beyond its own boundaries; whether it is entitled to make profits out of the traffic in another authority's district; whether, instead of this, each local authority should set up its own separate system, worked independently of that of its neighbour, notwithstanding the change of cars involved thereby; and whether, in any case, the profits should be applied to reduction of fares or to reduction of local rates. In the case of private enterprise developed along the American lines none of these problems arise.

An illustration of what can be done by private as compared with municipal enterprise is shown by the operations of the London United Electric Tramways, which, in laying down its system on the western side of London, dealt with three county councils and about 30 district or urban councils, making and working its lines in such a way that the patrons of the cars need not know when they cross the boundaries of each particular district. The advantage to the public and the greater economy of a single system like this over a wide area, as compared with what would be the result if each local authority had its independent lines—possibly with different gauges, and its independent electricity station—is self-evident.

A further example of the difference between municipal and private working is afforded by the London County Council Tramways. Those in the north of London are leased to a company. Those in the south of London are worked by the County Council itself. The results are thus set forth in an article on the subject published in *Electrical Investments* of December 4, 1901:—

	L.C.C. capital expenditure.	Gross return to the Council.	Net profit to the Council.	Net return on expenditure.
North (Company)	£845,384	£78,968	£40,151	4¾ p.c.
South (Council)	£901,528	£65,650	£14,325	1⅝ p.c.

Here it is obvious that it pays the ratepayers much better to lease tram lines to a company than to work the system themselves. If the southern lines had been leased, we may fairly suppose that they would have produced as much as the north, because, if anything, the system is the more valuable business. The total return to the ratepayers on the year would then have been £80,302, instead of the above total of £54,476. The ratepayers have, therefore, lost at least £25,000, in the year under review by allowing the County Council to work the southern system.

Now as to the passengers. The returns for the past year taken from the Council and company reports are as follows:—

—	Miles run.	Number of passengers.	Receipts.	Aver. rec'ipts per passenger.	Aver. rec'ipts per mile.	Total ratio expenses to receipts.
Council ...	10,399,058	118,281,320	£462,896	·89d.	9·99d.	97·82 p.c.
Company...	16,279,490	160,676,347	£757,270	1·13d.	11·16d.	97·54 p.c.

In examining these figures it must be remembered that the northern company has to pay a heavy rent to the Council, and even then, by superior management, it keeps its ratio of expenditure below that of the Council. The company's ratio is taken from its last half-yearly report, and it shows a considerable increase on the normal in past periods, which has been about 95 per cent. Further evidence of more expert management is to be found in the fact that while the company only received 0·24d. more per passenger than the Council, its receipts per mile run were higher by 1·17d.

No more striking proof could be given, perhaps, than is contained in this extract of a fact which meets one at every turn in comparing municipal with private management—that, though a local authority may raise money by loan more cheaply than a public company, the latter will work far more economically, and avoid the lax management, if not the wasteful extravagance, characteristic of too many municipal enterprises, where there are no discontented shareholders to consider, where the public rates are always available to make up deficiencies, and where the salaries of the officials are secure, whether profits are made or not.

Municipal v. Commercial Management.

The greater cost of municipal as compared with ordinary commercial management, in regard to such an enterprise as a tramway, may be shown, also, by a further reference to the subject of deputations, dealt with in a previous article. A tramway system conducted by a private company is managed by experienced men who are supposed to understand their business before they are appointed; but the members of a municipal tramways committee may, when they assume their responsibility, possess not even elementary knowledge of the fundamental principles of the concern from a technical or a commercial standpoint. So it is found necessary that they should be "educated" on the subject; and this is done by their travelling all about the country, if not to other countries as well, in order to pick up whatever knowledge they can, the cost of such journeys being paid out of the tramway accounts.

How the system operates may be shown from the case of the Leeds municipal tramways; and the following figures, extracted from the pamphlet on "Municipal Extravagance" published by one of the elective auditors of Leeds, will convey a good idea of the "travelling scholarships" with which members of a tramway committee are endowed in order that they may be "educated" up to the point of really understanding the business which they control.

Leeds Tramway Committee Deputations.

Year.	Destination.	Number forming deputation.	Cost.
1894	Paris	3	£53 7 9
,,	Isle of Man	10	51 19 3
,,	Edinburgh	11	99 2 6
,,	Morecambe	3	13 18 6
1896	London	9	51 10 6
,,	,, ...	6	33 9 0
,,	Bristol	16	86 9 6
,,	Birmingham	12	69 15 1
,,	Boroughbridge ...	5	8 13 6
	* * * *	* *	
1899	(No p'ace given) ...	7	25 18 1
,,	Liverpool	2	4 18 6
1900	London	4	21 15 0
,,	Bolton	4	3 16 0
,,	Preston	5	6 12 6
,,	London (Tramways Exhibition)	10	117 19 7

This last item may be supplemented by the following extract from the official programme

of arrangements in connexion with the Tramways and Light Railways Exhibition held in the Agricultural-hall, London, from June 30 to July 12, in the present year :—

Friday, July 4.
Deputations.

Northampton.—The following members of the Tramways (Executive) and Electric Light Committee propose to visit the exhibition to-day :—Alderman H. Wooding (chairman), Alderman J. Webb, Councillors J. Brown, R. Finnegan, H. Green, J. Jackson, E. Lewis, H. Martin, A. E. Phipps, F. Tonsley, Mr. W. D. Gibbins, engineer, and Mr. J. Gottschalk, manager (12).

Rotherham.—The following representatives will visit the exhibition to-day :—The mayor, Alderman D. L. Winter, J.P., Mr. Alderman Hickmott, J.P., Alderman Woodhouse, J.P., Alderman Gummer, Councillor Cox, Councillors Clarke, Copeley, Fieldsend, Reeves, Hirst, Jenkinson, the town clerk, Mr. H. Hampton Copnall, and the borough engineer, Mr. E. Cross (14).

Southport.—Chairman, Councillor Travis, vice-chairman, Alderman Hulme, chairman electrical committee, Councillor Jones, R. P. Hirst, borough surveyor, R. S. Downe, electrical engineer, T. J. Kendrew, tramways manager (6).

Saturday, July 5.
Deputations.

Huddersfield.—Councillor T. H. Moore, Mr. K. C. Campbell, borough engineer, and Mr. H. M. Thomas, tramway manager, will visit the exhibition to-day. [3.]

Monday, July 7.
Deputations.

Leeds.—Mr. R. A. Smithson, chairman, Mr. Alderman Gordon, chairman of the Works Sub-Committee, Aldermen Tetley (vice-chairman), Carter, Hannam, Lawson, Councillors Barmby, Bowling, Boston, Connellan, Denton, Hirst, Henry, Kinder, Laycock, Lawson, Nichols, Ringrose, Sagar-Musgrave, Wood, Wormald, Mr. J. B. Hamilton, general manager of the tramways, and Mr. J. Burbridge, electrical engineer of the tramways, will visit the exhibition. [23.]

Sheffield.—Alderman Clegg, chairman, Councillor Carr, vice-chairman, Aldermen Styring, Smith, Eaton, Hobson, Councillors Chambers, Wing, Fenton, Knowles, Fox, Fisher, tramways manager, A. L. C. Fell. [13.]

Tuesday, July 8.
Deputations.

Leeds.—Mr. R. A. Smithson, chairman, Mr. Alderman F. W. Lawson, chairman Works Sub-Committee, all the members of the Tramways Committee, Mr. J. B. Hamilton, general manager, and Mr. J. Burbridge, electrical engineer.

It will be seen that, while Huddersfield finds it sufficient to send one councillor, the borough engineer, and the tramway manager to the exhibition, Leeds must send the entire Tramways Committee, as well as officials. Rotherham even finds it desirable to send the town clerk. No undertaking in the world conducted on commercial lines would allow its revenue to be debited with the cost of such deputations as these. It would be assumed, in the first place, that the responsible managers did not require to be "educated" at the expense of the concern, and, in the second place, that adequate information as to the latest developments on view at an exhibition in London or elsewhere could be obtained without sending "deputations" consisting of so many as 12, 14, or even 23 individuals each.

The Rises of Municipal Enterprise.

The whole question of municipalities and urban or rural traffic is still further complicated by the uncertainties of the situation. Mr. Porter tells how the New York Metropolitan Railway scrap-heaped a good cable plant worth over a million sterling because it stood in the way of electrical progress. A private company might well do this; but it is doubtful whether a municipal corporation would feel at liberty so to act when they were dealing with the ratepayers' money, or should, indeed, run the risk of having to choose between such a costly procedure or continuing to use plant that was no longer up to date. In the same way, there is the possibility that even the best and the most costly system of electric tramways in operation to-day may find dangerous rivals in motor-cars, even if they are not entirely superseded by them, especially in suburban districts. Sir Alexander Binnie, late engineer to the London County Council, has pointed very clearly to the possibility of the motor-car's becoming a "formidable" rival to the tramcar; and in his opinion "there is no doubt that there are persons backed by money and well acquainted with the circumstances of the case, from Cabinet Ministers downwards, who believe that motor-cars of some kind or other will prove the cheapest mode of conveying our dense population into the suburban districts." In that case it would remain to be seen what attitude would be adopted towards this formidable rival by municipalities which had expended great sums on acquiring the monopoly of electric tramways. That an ordinary commercial company should be superseded in such circumstances by improved inventions or newer and cheaper developments would be regarded as merely one of the ordinary risks of business life; but the matter assumes a very different aspect when the traders concerned are dealing, not with their own money, but with that of the general body of the ratepayers. Already, in fact, in many places, steam superseded horse traction on tramways only to be in turn superseded by electricity; and earlier in the present year the announcement was made that "by a resolution of the Leeds Tramway Committee 24 steam engines which were once in use on the Leeds steam tramways, and for which the committee had no further use, were to be offered for sale at £40 apiece." Now the question arises whether, by the time the municipalities have all got their electrical tramway systems in working order, the time will not have arrived for supplanting them, to a considerable extent at least, by motor-cars running without rails, going where they please, travelling at a more rapid speed, and able to run round the other vehicles which now so frequently block the way of the tramcars. With motor-omnibuses in place of tramways the roads would be less frequently "up," the unsightly overhead wires would be unnecessary, and the clanging of the tramway bell or the blowing of the driver's whistle would be heard less frequently. Even if the motor-omnibus should not supplant electric tramways, there is always the possibility that some improved system of surface contact, such as that now being tried at Wolverhampton, will at least render obsolete the hideous trolly system.

Mond Gas.

A further proof of the tendency of municipal trading to check progress which may interfere with its own monopolies is afforded by the opposition raised in 1901 against the Mond Gas Company's Bill by a number of local authorities, on the ground that the setting up of central generating stations from which Mond gas for motive, heating, and manufacturing purposes could be supplied at from 3d. to 4d. per 1,000 cubic feet would seriously affect the stability of

municipal gas undertakings. Here, again, ordinary gas companies would take the risk of competition; but the municipal trader expects to hold the field against all comers, and the conferring of greater benefits on the public at large becomes a subsidiary matter as compared with the financial success of his own particular enterprise. In one case the Parliamentary Committee of a corporation in the Midlands reported on the subject of the Mond Gas Bill—

> Having regard. . . to the fact that the ratepayers, as the owners of the gas and electric lighting undertakings, had at stake a capital of £400,000, that the Bill aimed a serious blow at the principle for which municipalities had been striving for many years past—viz., that the supply of gas, electricity, water, and tramways should be under municipal control, the committee unanimously recommended that a petition against the Bill should be deposited in the House of Lords, and the necessary steps taken for prosecuting the petition.

It is, no doubt, a serious matter that a municipality which has laid out £400,000 on commercial undertakings should be threatened with competition of a kind that had never entered into its calculations; but it would be a still more serious matter if, because such risks have been run by a local governing body, therefore no private trader must establish new enterprises founded on later successes in the domain of industrial science.

As was shown in the second article of the present series, there are countless other enterprises in which municipal has come in contact with independent effort; but it is impossible to go into detail as regards the whole of them, and the illustrations given above must suffice for present purposes.

The Functions of a Municipality.

The question as to whether or not, and to what particular extent, municipal trading "pays" may seem to be all-important from the point of view of its local advocates; but it is less material than the consideration whether, and, if so, how far, municipal trading is to the advantage of our national interests. There may be many communities where municipal enterprise "pays" to the extent of yielding more or less substantial sums in relief of rates—and such results may well be obtained, considering the advantages of the municipal position. All the same, there is the consideration that an undue development of such trading—especially where it goes beyond the limits of absolute requirements which alone a public body can or should supply—changes the whole aspect of local government; involves an undoubted interference with the manufacturer and the private trader; converts into municipal monopolies industries and businesses hitherto left to companies or individuals—thus undermining recognized principles of free competition; deprives the individual of incentives to enterprise, of opportunities for the profitable investment of thrifty savings, while limiting the openings for employment; and restricts the expansion of trade and commerce, since a municipality will manufacture or provide only for its own local needs, the "markets" beyond its particular boundaries being also beyond its ken. Even if we admit, therefore, everything that the advocates of municipal enterprise say in regard to profits and their effect in keeping the rates from assuming even higher proportions than they have done already, we are still left face to face with a variety of problems which concern not merely the local community, but the nation as a whole. And it is desirable that the nation should take the subject into its consideration, realize the direction in which matters are drifting, and decide whether or not it is desirable that the "Socialist idea" should be allowed unlimited powers of expansion.

The time has clearly come, in fact, for the country to decide what the functions of a local governing body really are, and to what extent it should be allowed to carry on speculative commercial enterprises in the name and with the money of the community, competing with its own ratepayers, and converting local industries into municipal trusts. It is the admitted function of such a body to provide good drainage, to make and maintain roads, to sweep the streets, to supervise building schemes, to prevent nuisances or conditions injurious to health, and to discharge other such duties which are not a source of revenue and are necessary for the well-being of the whole community. The provision of an abundant supply of pure water, a commodity which is needed by all and is essential for the public health, and for which no other article can be substituted, may also be regarded as perfectly legitimate, notwithstanding that it represents a certain degree of "trading," since the water is sold at more or less profit. But whether, and, if so, to what extent, a municipality should embark on what are undoubtedly speculative commercial enterprises, pledging the credit of the whole of the ratepayers in the interests of particular sections, running the risk of losses which must be met from the public purse, and depriving the private trader of his business, instead of ensuring him the opportunity to carry it on with safety under a state of efficient local government, are matters which open up very different questions indeed.

Much must depend on the conditions of the local communities themselves. But there are certain broad principles which may be laid down; and one of those principles is that that spirit of individual initiative, inventiveness, enterprise, dogged perseverance, and devotion to the development of industry and commerce which has done so much to secure the greatness of the British Empire should not now be checked by any avoidable transfer of enterprises to public bodies, whose members, or whose officials—devoid of that self-interest on which business success and industrial development mainly depend—cannot be expected to display the same qualities. It is among the "private traders" who are now being held up to so much scorn and contumely, and not among corporation servants in receipt of comfortable salaries, that one must look for the inventors of the steamship, the locomotive, the telegraph, Bessemer steel, the electric light, wireless telegraphy, and the other triumphs of science and industry. Governments and municipalities do not invent; they wait until others have shown the way, have done the pioneer work and have established a certain success, and then they step in and take possession. The development of this tendency, already sufficiently marked, is likely to put a check upon the energy of scientists and inventors, while it is doubtful whether the greatest possible development of "municipal enterprise" will ever lead to the discovery

among corporation officials of a Bessemer or an Edison. Once transfer to State or municipality "all the means of remunerative employment," or even any substantial proportion of such means, and the incentive to individual interest in industrial progress and commercial expansion will disappear; and so, too, may disappear that private wealth, derived to so large an extent from private trading, which forms the very backbone of our national prosperity. From the point of view of the Socialists this result would not be deplored. They would say the private wealth had been "absorbed" by the community. But, when the country had become divided into so many Socialist or semi-Socialist organizations, in each of which the local trades and industries were controlled by the local authorities, under a rigid system of protection, the foundations of our foreign trade would disappear; since it is not to be supposed that even the most ardent advocate of municipal enterprise would send his commodities beyond the limits of the country, even if he sent them outside the boundaries of his own particular borough.

VI.

(THE TIMES, SEPTEMBER 8, 1902.)

THE QUESTION OF EFFICIENCY.

Even if it could be proved that the "Socialist Idea" afforded a desirable basis for the carrying on of English local government, and that no reasonable objection could be offered to any development of municipal enterprise as such, there would still remain the consideration whether the *status* of local governing bodies is being maintained at such a standard that every confidence may be placed in their ability to manage successfully, and in the best interests of the public, these great commercial enterprises. In other words, the question arises whether the *personnel* of such bodies has increased in the essential quality of "efficiency" in anything like the same proportion as the magnitude of the duties and responsibilities devolving on local administrators has increased under the operations of the New Municipalism.

No one can deny the assumption that if a municipality, or other local body, is to carry on commercial enterprises it should represent in its members a degree of intelligence and ability which would enable them to compare not unfavourably with the managing directors of those public companies which municipal socialism is desirous of supplanting, or, alternatively, with the owners of large industrial concerns still in private hands. Indeed, such degree of intelligence and ability should be shown in even greater proportion in the case of a representative of the New Municipalism; because, while an ordinary employer would think it quite enough to master the details and superintend the management of a tramway system, a gas works, or an electric lighting system, the town or county councilman of to-day is supposed to be quite capable of controlling any number of such concerns, and to look after a score or a hundred of other public interests besides. That he may have no practical knowledge of any one of them when he enters a council, and that he may remain a member of that body only a few years, is apparently of little moment. Theoretically the very fact that a certain majority of the electors in his ward have recorded their votes for him endows him at once with the qualifications requisite for the management of a gas works, of a tramway, of an electric power station, of a telephone system. In ordinary business life, if he applied to be placed in charge of any one of these things the first question put to him would be, "What are your qualifications?" and one can imagine what would happen if he had to confess that he had had no previous training in the particular business at all, or that his only qualification for helping to take charge of a gas works was that he once had something to do with the working of a tramway. Yet the town councillor in a municipality of the advanced type is supposed to be capable of joining in the supreme control of quite a number of great commercial undertakings in not one of which, perhaps, as a private individual, would he have any chance of being employed in even a subordinate capacity. Questions of ordinary local government affecting the health and welfare of the people should be capable of being grasped by any citizen or burgess of average intelligence; but the position becomes very different when the range of subjects to be dealt with comprises quite a number of commercial undertakings, each of considerable magnitude, and involving very substantial financial risks.

Hitherto a certain number of local patriots, men of position and leisure, have willingly helped to carry on the duties of local government in regard to the general interests of the community. They have taken a pride in municipal statesmanship; but the position becomes very different, indeed, when their *rôle* is changed into that of municipal traders. The idea of "governing" their fellow-citizens may well have appealed to their higher instincts, but the idea of keeping shop for them is quite a different matter. As the demands on their time and energies are increased by the necessity of mastering so many technical details and of dealing with the possible worries and perplexities of half a dozen great industrial undertakings their former enthusiasm may well diminish.

THE DISCOURAGEMENT OF BUSINESS MEN.

In the same way the already noticeable reluctance of the best class of business men to take up the work of local government is likely to become greater rather than less. That they should join local governing bodies is most desirable under the *régime* of the New Municipalism, which will especially need the help of business men; but, if they could not spare time to serve when the local authority kept to a "streets and sewers" programme, they will hesitate still more to give up the far greater amount of time they would have to devote to the carrying on of so many municipal enterprises.

There are other considerations, besides, which must weigh upon them. When a local authority enters into competition with the private trader, and spoils his business or handicaps his enterprise in the alleged interests of the community.

the members of the body in question can hardly expect him to be so generous as not only to forgive them but to join their ranks in order to help them to carry on successfully the business or the enterprise which they have more or less taken from him. Even where the question of competition with the local private trader does not arise, there is still the consideration that a leading manufacturer or business man, eminently qualified to become a member of a corporation of commercial aspirations, would be indisposed to sacrifice, not alone the necessary amount of time, but also the contracts which might fall to his lot if he remained off the council, but could not accept if he were elected to that body. With each particular expansion of municipal enterprise the number of contracts given out becomes larger ; and there is a growing disposition to keep them, as far as possible, to the districts concerned. Already there has been trouble in about 30 different towns, especially in the north of England, because individual members of a council have—in many cases quite unwittingly—been interested in contracts given out by the local authority. In some instances there may have been genuine " scandals " ; but the business ramifications of an " enterprising " corporation of the advanced type are so numerous and so varied that difficulties in regard to councillors and contracts may easily arise. It would seem that the only safe rule for a business man to follow—and especially for one who does not wish to see his own business suffer—is to have nothing to do with the actual work of local administration at all.

There are still other drawbacks, which may be illustrated by the following story :— In a certain large industrial town there is a manufacturer in whose family it has been a tradition that one member or another thereof should try to serve the interests of his fellow citizens. He himself was willing so to act, notwithstanding the heavy demands on his time made by his own business, and the examples of Mr. Chamberlain and Sir Henry Fowler had inspired him with the idea that he might rise through local to Imperial politics. A man of exceptional capacity and a fluent speaker, he would inevitably have made his mark in public life. For the time being, however, he was prepared to be satisfied with local politics, and he put up for the town council of his borough. But no sooner did he do so than he was made the subject of a combined and remorseless attack by the leaders of the local trade unions, on the ground that he did not pay his workmen the trade union rate of wages. In a sense it was true he did not. The actual rate of his wage list at that time was below the trade union rate ; but he was carrying out important foreign contracts which enabled him to give constant employment to his men—as compared with the irregular work open to others in the trade—and so thoroughly satisfied were they with their conditions of employment that none of them thought it necessary to belong to a trade union at all. In this fact, of course, lay the real *crux* of the situation. The union officials discovered a discharged workman who made shameless accusations against the manufacturer, and the candidate was severely heckled at his meetings, and compelled to meet all sorts of misrepresentation, not as to his qualifications for membership on the council, but as to the conduct of his own business. On the eve of the election, when there was no time to take defensive action, the officials of a considerable number of the local trade unions sent out a joint manifesto, in their own names, calling upon the working class electors not to vote for the manufacturer. The polling on each side was probably the heaviest known in the borough, but the result was that the manufacturer was defeated. Not only was he himself discouraged, by reason of the obloquy he had experienced, from ever renewing his attempt, but other local manufacturers, who had watched the election, declared that if, in addition to sacrificing valuable time, they had to run the risk of having their private business concerns made the subject of public discussion and unscrupulous attack, they would prefer not to undertake municipal work at all. The final outcome of these conditions is that, although the town in question has embarked heavily on municipal speculations at the risk of the ratepayers, its town council consists to-day almost entirely either of rising solicitors and other professional men who regard local politics as a stepping-stone to success in life, or of trade union officials who represent the interests of their own particular class, especially in respect to the question of municipal employment. The only business men on the council are a few who joined it years ago, and there are indications that they may regard themselves, so far as their particular town is concerned, as almost the last of their race.

For the various reasons here mentioned there is likely to be a diminution rather than an increase in the capacity of local elective bodies for dealing with municipal enterprises of the speculative class, and this, too, notwithstanding the fact that the whole question of whether those enterprises are to be a relief to the rates or a burden on them must often depend entirely on the question of efficient management. According to Sir Henry Fowler this question of management is " a main factor in the classification of enterprises which can or cannot be undertaken by public authorities " ; and, if this be so, the point is one that deserves quite as much attention from supporters of municipal trading as it will naturally receive from those who are opposed thereto.

The Element of Deterioration.

Further, the very fact that the administration of the new municipalism involves the giving out of such important contracts, the employment of so much labour, and the expansion on so practical a scale of the fundamental principles of a thorough-going Socialism, tends to encourage the entrance into municipal government of men who have axes to grind, who see advantages for their own class in direct employment, who want to promote the expansion of the Socialist idea by still further exploiting the municipality. So the falling off in the one direction is accompanied by the greater introduction of undesirable elements in the other ; and though, happily, there are still on our municipalities and other local bodies many individuals of sterling integrity and pronounced ability, leaders in either the commercial or the professional world who devote much time and attention to public

work, there is no room for doubt as to the tendencies towards degeneration which have set in. Writing on this subject in *Traction and Engineering*, "A Borough Engineer" says :—

Members of local authorities should be of different calibre from those who are now forming town councils. There is no doubt that in many places the class of men is deteriorating, and politics are probably the great cause of this demoralization. How can we expect to be governed properly when persons are elected who, although they may have the respect of the townspeople, hardly know the value of a £10 note, and probably have never seen one? How can the public expect, as they do, that men who have attained to high and influential positions will become members of corporate bodies when they have to meet with others who are not logical, who are unparliamentary in their language and manners, or who have not a thought above their own selfish ends?

The type of Socialist-labour representative who is coming forward to the support of the New Municipalism is well indicated by the following sketch of an individual of this class, contributed by "The Tatler" to the *Blackburn Weekly Telegraph*, and reproduced in the *Social Democrat* for December, 1900 :—

Councillor —— has, in his time, played many parts, from delving in a stone quarry to delving into the municipal ledgers. At present his only "visible means of subsistence" is the office of secretary to the local branch of the Gas-workers' Union, which involves small labour, and, I fear, less pay. His popular triumphs have brought little grist to his financial mill, and he probably has a very literal acquaintance with that "lack of pence that vexes public men." It is doubtful whether Tom —— ever earned 30s. a week in his life. Yet the other evening I heard him give a *resumé* of the municipal work of the year from the Socialist point of view, which, for lucidity of style, soundness of sense, and good-humoured irony could not have been rivalled by any other man in the town council.

These praises of the councillor in question as a speaker may be thoroughly well deserved, and he himself may be an excellent person—from the Socialist point of view. But it may occur to impartial outsiders that an individual of whom it is "doubtful if he ever earned 30s. a week" may not possess that practical knowledge of finance and industrial management which would really qualify him to play his part in carrying on successfully those great commercial enterprises of the New Municipalism to which Blackburn is no stranger. The idea may also suggest itself that the poorly-paid secretary of a local trade union, naturally subject to more or less influence on the part of his friends and supporters, is hardly the sort of person to entrust with the interests of the ratepayers in regard to so delicate a question as the direct employment of labour.

In another working-class borough, the seat of many important industrial concerns, there was elected to the town council a few years ago a man who was at that very time employed in an ironworks in the neighbourhood, his pay being 24s. for a 48-hour week. His employers, however, found that as a workman he was not worth a wage even of 6d. an hour, and he was discharged. Another member of the town council took compassion on him, and employed him at 8d. an hour to help in fixing the iron shutters to certain shops in course of erection, and, though the foreman protested, declaring that "it was a waste of money to keep him on," the man was allowed to finish the job. Soon after this the local Labour party got control of the town council, and one of the first things they did was to make the ironworker in question an alderman. His appointment, about the same time, as organizing secretary to a trade union relieved him from any further anxiety on monetary matters ; and he has since taken his share, not only in organizing schemes of municipal employment and municipal dwellings for working-class voters, but also, ostensibly, in the management of some of the most costly municipal enterprises that even the most advanced of progressive councils could well undertake. The name of the alderman and that of the borough in question could both be given ; but, in the circumstances, it will be merciful to withhold these matters of detail, and allow the facts narrated to speak for themselves.

Then it was recently reported in the *Labour Leader* that :—

The five Socialist town councillors of Wolverhampton are working harmoniously and effectively together, and at last meeting they spoke against any increase being made on officials' salaries so long as the standard rate of wages was not paid to labourers.

One of the councillors here referred to is a small greengrocer, and had a cart with which he went his rounds in the surrounding districts, among the residents whom he now represents on the town council. When contesting the ward for which he stood he availed himself of his rounds in order to distribute handbills about his candidature ; and he won the seat, partly because of the activity of his Socialist supporters, and partly because there had been a reorganization of the wards, and his opponent on the occasion was a "weak" man whom the better class electors would not trouble to vote for. So the individual in question was able to get elected to a public body which is especially distinguishing itself by its "municipal enterprise" in various directions. It is no disgrace to a man to be a small greengrocer, and the vending of potatoes from door to door is a strictly honourable way of gaining a livelihood ; but a town councillor's knowledge of commercial pursuits should, surely, be rather more extensive than this to qualify him to conduct important undertakings at the cost and in the name of the community.

The paragraph quoted from the *Labour Leader* shows, too, that men of this type cannot even atone for their own inexperience in regard to the management of great industries by paying generous salaries to competent officials. From their point of view, the expert in charge of any particular department of a council's "enterprise" has less claim upon their consideration than the ordinary *employés* of the corporation. The same tendency has been noticed elsewhere ; but this example from Wolverhampton is the more striking because it was on the Wolverhampton Town Council that Sir Henry Fowler, who ranks as the oldest ex-alderman and ex-councillor of the borough, gained the practical knowledge of municipal work which always ensures attention for his utterances or his writings on that subject. From a man of statesman-like ideas, who realized the full spirit and responsibility of local government as it affected the highest interests of the community, it is, indeed, a "far cry" to Socialist councillors whose greatest concern would seem to be the provision of comfortable posts for corporation labourers.

Honest enough and sincere such men may be, according to their lights and experience ; but

from the point of view of the public interests it must be asked if confidence can be felt in their "efficiency" for the management of municipal enterprises. The reply to such inquiry generally is that the other members of the council may be trusted to see that men of the class in question are not put on committees where they can do any harm, or, if they should be, will keep them well in check. But, unfortunately there is sometimes a reluctance on the part of the "efficients" to co-operate with the others; and one borough, at least, could be mentioned where the work of local administration was actually suspended for a time because of a refusal on the part of some of the councillors to work in committee with others whose position in life was little better than that of labourers. If, too, the latter are to be kept off certain committees, an undue share of public work must fall on the shoulders of the more highly qualified members; and this in itself would be a sufficiently serious matter in the case of a local authority which undertakes so many and such varied duties that it can hardly hope to get through them all, even if every member should be of the highest type of municipal capability.

THE GROWTH OF A MUNICIPAL BUREAUCRACY.

The combined effect of the adventure of local governing bodies into so many kinds of municipal enterprise, of the great increase in the duties and responsibilities devolving on the better type of local representatives, and the admission to those bodies of so many individuals not qualified to control the various forms of trading which are undertaken, is to throw the real duties of local government more and more upon the permanent officials, and to create a municipal bureaucracy the advent of which is alone enough to provoke some degree of uneasiness. In many instances the chairmen of committees will count more or less as experts; and in their hands and in those of the permanent officials the other members are generally content to leave things, provided only they can get the credit of attending the committee meetings by putting their names in the attendance book. Perfunctory attendance at committee is, indeed, the one refuge of the overburdened representative, who finds either that "one small head" is unable to "carry" all that a town or county councillor is now supposed to know, or that life is too short, or his own stock of energy too small, to allow of his doing much more at committee meetings than just putting in an appearance and saving his reputation with the electors. The chairmen of committees may be experts, but it is possible they may not be re-elected, and their successors will have to start afresh, learning all they can from the permanent officials. With each new enterprise undertaken, or each fresh development brought about, more of these officials must be appointed, or increased authority given to those already in office, until their number and their powers may assume proportions never contemplated under any previous system of British local government.

What the effect of such a state of things as this might be is shown by the experiences of various Continental countries. In Germany, especially, the growth of the local bureaucracy has attained to such proportions, and is proving so unpalatable to the German people, that practical steps, it is said, are now being taken to check its further expansion. It is quite certain that Englishmen will never take kindly to such a growth here; but it will be practically impossible to stop it if a free rein is to be given to the Socialist idea of transferring as many trades and industries as possible to the control of the municipality. Already, it is to be feared, the spirit of municipal enterprise finds undue favour among the official class. Some of them may be inspired only by an unselfish pride in seeing the town they serve increase in importance by a resort to various forms of expansion; but many there must be who find it to their personal advantage to encourage such things. Not only does the development of municipal enterprise generally carry with it a proportionate increase in the salaries paid, but substantial pecuniary benefits are often derived by municipal officials from proceedings in regard to private Bill legislation which it would be within their province to initiate or oppose. The clerk to a rural or an urban district council is generally a solicitor who receives a moderate salary as clerk, carries on his private practice, and is paid legal fees for any Parliamentary work he may do for his authority. The salary of a town clerk is, as a rule, inclusive; but it is a practice all but general among Parliamentary agents to allow, on demand, a percentage of their fees, often equal to a third, to the solicitor who instructs them. If the town clerk is a solicitor—and that is mostly the case—it is into his pocket that the allowance in question would naturally fall. Thus it may be to the personal advantage of local government officials to encourage their particular authority to show as much zeal as possible either in promoting Bills for the undertaking of new enterprises, or in opposing Bills introduced by private traders.

In face of such facts as these some people perhaps will find a new light thrown on the subject of private Bill legislation, the cost of which is sometimes protested against as involving so heavy a burden on the municipalities concerned. A return recently published shows that in the course of seven years one borough promoted or opposed 46 Bills, and other places promoted or opposed 33, 30, 28, and 22; while still another borough made a record by promoting or opposing 43 Bills in five years, the cost being £20,000, which was equal to a local rate of 5½d. in the pound. It is not for one moment suggested that all this expense was avoidable; but in regard to the promoting of Bills it may well happen in some cases that the permanent officials are not above considering their own interests in the advice they give, while in the matter of opposing private Bills in Parliament there is no doubt whatever that such opposition is too often offered by local authorities on the flimsiest of grounds, and would be inexplicable but for some such solution as that here offered.

Thus, as the outcome of an increase in the number and magnitude of municipal undertakings and a decrease in the efficiency of the elected representatives, we get a bureaucracy which is steadily growing in magnitude and in power of control over the general administration of local affairs, and stands to gain more or less

in credit or in coin from almost every fresh effort that is made in the way of municipal expansion, whatever may be the additional burdens thrown on the shoulders of the ratepayers, and whatever may be the degree of interference with the private trader and the national industries. Nor does the matter end here, for in the Municipal Corporations' Association municipalities and their leading officials have a national organization which can bring almost irresistible pressure to bear on members of Parliament, who are apt to think that their seats will be endangered unless they vote on questions affecting local government according as they are advised by the local authorities of their own constituencies, or by the association with which those authorities and their officials are connected. For a purely local question arising in any part of the country it may thus be possible for the association, with the powerful machinery at its command, to get the support of members of Parliament right away from Land's End to John o'Groat's; and it is a well-known fact that when the municipalities once score a point in Parliament, especially in the way of increased powers, it is almost useless to think of depriving them of it, however seriously other interests may have been prejudiced. Although, therefore, Parliament remains supreme, the influence which so many local authorities and so many local officials are able to bring to bear, through an association with such widespread ramifications, on the minds and on the votes of individual members of Parliament, represents a distinct political force which will become greater and still greater as the municipalities widen the scope of their operations, and as the local bureaucracy, personally interested in every possible development of municipal enterprise, grows in number and in influence.

VII.

(The Times, September 10, 1902.)

MUNICIPALITIES AND DIRECT LABOUR.

Apart from the question as to the prejudicial effect which an undue resort to municipal trading might have on private enterprise and national industries there is the important consideration as to what may follow from too active a development of the principle of direct labour. The movement among municipalities in this direction has undoubtedly been greatly fostered by the example of the London County Council in the establishment of its own Works Department, and the whole subject constitutes so important a phase of the Municipal Socialism of to-day that it well deserves consideration.

The L.C.C. Works Department.

For the origin of the conditions which led to the ultimate formation of the Works Department of the London County Council one must go back as far as March 6, 1889, when, at a meeting of the L.C.C., the following resolution was proposed by Mr. Foster and seconded by Mr. John Burns :—

That the Council shall, from time to time, investigate any charges of sweating which may be brought forward on the responsibility of any councillor or alderman against any person or firm tendering for any contract with the Council, and that, in the event of such charges being established, such contract shall be refused to any such person or firm upon the ground that this Council declines to encourage in any way the system of sweating.

What a hold such a resolution as this would have given the Labour members over the Council's contractors is self-evident, while it might also have led to endless conflict as to what constituted "sweating" and what did not. The Council itself seems to have been impressed by these possibilities, and, after a short discussion, the following amendment was moved by Mr. Costelloe :—

That any person or firm tendering for any contract with the Council shall be required to make a declaration that they pay such rate of wages and observe such hours of labour as are generally accepted as fair in their trade, and, in the event of any charges to the contrary being established against them, their tender shall be refused.

This amendment was accepted by Mr. Foster and Mr. Burns in place of their resolution, and it was unanimously adopted by the Council. It proved to be the beginning of trouble with the contractors, for it gave rise to so many doubts and questions that "good and careful" contractors got to look with aversion on the idea of tendering for County Council contracts at all. Meanwhile the position of the Labour party on the London County Council grew stronger, and on May 27, 1892, the following resolution was adopted by the Council, on the motion of Mr. John Burns :—

That all contractors be compelled to sign a declaration that they pay the trade union rates of wages and observe the hours of labour and conditions recognized by the trade unions in the place or places where the contract is executed.

It will be seen that this resolution of 1892 went very much further than the one of 1889, inasmuch as it specified that the wages and the hours should be not only "fair," but according to the trade union standard, thus making the trade unions the actual arbiters in regard to London County Council work. The intention to force the County Council to strengthen the position of the trade unions, quite as much as to secure better conditions of employment for the men, was obvious. The example set in London was followed in the case of so many other public bodies, societies, &c., in various parts of the country that manufacturers and contractors who would gladly have thrown off the trade union yoke were compelled to retain it, or, if they had thrown it off, they were obliged to take it up again, so as not to lose their chance of securing official contracts.

The representatives of Labour thus secured a great victory in the interests of trade unionism; but it was a victory which must be counted among the various causes that have led to the increased cost of local government, as the following illustration will show :—A firm of brass-founders and ironworkers were invited by a local body to tender for a certain article. It was intimated to them, however, that it would be of no use for them to do so unless they were paying to the men employed in making the article the trade union wage of 35s. a week. In point of fact, they were not employing men on the work at all, but youths and girls, who were perfectly well able to do it, but got a wage considerably lower than that specified. The firm could thus have afforded

to send in a low tender, but, in the circumstances they thought it useless to send in any at all; and the presumption is that the local authority in question accepted a tender based on the higher wage, and thus had to pay a good deal more for the article than its real market price.

To make sure of the enforcement of the resolution given above, the London County Council adopted standing orders imposing penalties for any breach of the stipulations mentioned. The standing orders further required a contractor on demand to produce his wages books for the inspection of any member of the Council, or any person authorized to represent them, so that such individual might see that the regulations were being carried out. Not only, too, was there to be this free inspection of books, whenever it was asked for, but the contractor was even required to allow copies or extracts from them to be taken, if the member or authorized person wished so to do. One can readily understand how leading contractors, engaged in great undertakings, having a large capital invested in their business, and unaccustomed to being treated as suspicious persons, resented the idea, not merely of binding themselves hand and foot to act according to trade union standards, but also of being compelled to throw open their books for the inspection of any trade union member of the London County Council who might choose to go to their office and ask to see them. Some of the regulations were modified later on; but the reluctance of the best class of contractors to have any dealings with the London County Council, engendered by the resolution of 1889, was materially strengthened by the one of May, 1892. The result was that they left the London County Council alone and declined to tender at all, while the firms who did tender set down higher figures in order to meet the requirements as to trade union wages, &c., and were, indeed, in various instances firms of a low standing, who were ready to take up the contracts on the mere chance of their being able to carry them out, and were equally ready to drop them again in the middle of the work if they got into a difficulty.

It was not surprising, therefore, that the London County Council began to find itself in an awkward position as the direct outcome of the policy introduced by the Labour members. Two cries were then raised—one that a "ring" of contractors had been formed against the London County Council, which was certainly not true, the reasons for their not tendering at all, or for their only doing so at higher rates, being obvious and reasonable enough; and the other that the work of those who were then contracting was not being well done, a complaint which, for the reasons stated, may have been quite justifiable. Another circumstance which told against the policy of the London County Council was the very unsettled condition of the building trade generally at that particular time; and still another was the fact that, while the subject of the labour clauses in the County Council contracts was being debated, contractors as a class were so vigorously abused by Labour members and others that the reluctance of the best firms of contractors to have anything whatever to do with the Council was increased rather than diminished.

So the resolution passed on May 27, 1892, brought about such a state of things that at the meeting of the Council on November 23 in the same year it was proposed not only to form a new Works and Stores Committee but also to establish a Works Department, which would execute, without the intervention of a contractor, and exclusively under the control of the committee and staff, all such works as might be decided on by the County Council. Mr. Fardell moved as an amendment that such procedure should not be resorted to until express powers had been given to the Council by Parliament so to do. He spoke of the scheme as a financial mistake because it was "a proposal not made in the interests of the ratepayers, but the outcome of the supposed demands of labour, which, they had been told, considered that 'the London County Council should endeavour to obtain the collective control of the productive industries of the country.'" He added that "there was to be a committee made up of men who naturally attended to their own business first, and, when their day's work was done, came down to Spring-gardens and devoted an hour or two to transactions of enormous magnitude, and expected the public to believe they could be done efficiently." To this Mr. (afterwards Sir) Arthur Arnold replied that the Council were bound to proceed upon the lines recommended because of the policy followed in regard to fair wages and the fair wages clause. The amendment was rejected, as was also another in favour of further consideration of the subject being adjourned, and the resolution for setting up the Works Department was carried.

Thus there began a new chapter in London government which has been prolific in scandals, disclosures, and losses. Even before there had been time for the new department to be properly organized important works were taken up under the superintendence, in their leisure moments, of members of a committee who were mostly amateurs; and such was the condition of affairs brought about by April, 1895, that the manager of the department, in a report accounting for an adverse balance of about £2,700, declared:—

> If the system had been specially designed to make the work carried out by us cost as much as possible nothing could have been invented better calculated to bring about that result. A large portion of the excess is due, no doubt, to the fact that for some time after the Works Department was established there was a tendency on the part of the skilled workmen in our employ not to do the same amount of work for the Council as they would be expected to do for a contractor, and it was only after repeated dismissals that this idea was shaken. This tendency to give a *minimum* amount of work for a *maximum* of pay has, however, been confined principally to the skilled workmen. With the unskilled labour there is, generally speaking, no cause for complaint.
>
> In connexion with this matter I am afraid the visits of individual members of the Council to our works, who enter into conversation with the men employed there, is apt to be misconstrued. Some of the men store up their grievances, real and fancied, until councillors go on to the works, when they are related, and often, I am afraid, in a most exaggerated form. Several of the foremen have complained to me of the bad effect this has had on the men, and have stated that their authority over them is very much diminished.

The extract just given is worth reproducing because it shows in so complete a way the demoralization which may be expected to follow when electors return their own employers, and members of a local governing body think it desirable to keep on good terms with men who

are at one and the same time employed by them and the individuals whose votes may, later on, enable them to secure re-election.

The trouble of April, 1895, was followed by the much more serious scandals of November, 1896, the services of five head officials being eventually dispensed with as the outcome of an inquiry into a deliberate and systematic cooking of accounts which was brought to light. There was no suggestion whatever that the officials in question had profited by what they had done, and the most significant fact revealed by the inquiry was the one that the false pretences were due entirely to a desire on the part of those officials to bolster up the theory of the Progressives that direct employment of labour, as carried out in the Works Department, had been, or could be made, a success.

The final outcome of the operations of the Works Department has been that from the time of its inception, in 1893, to February, 1902, the works carried out had cost nearly £79,000 above the final estimates. How, also, in the matter of jobbing work, apart from important undertakings, the public money goes may be sufficiently illustrated by two incidents which occurred in the offices of the London County Council themselves. A large wall map in one of the rooms did not hang straight because the ring by which it was suspended had not been screwed exactly in the centre of the wooden roller. An official suggested to one of the hall porters that he should move the ring along half an inch and so remedy the defect. The hall porter replied that it was not his work and he must not do it, but he would report the matter. So he made a note and reported to the Works Department. Then some one from the Works Department came to inspect the ring and see what wanted doing. He, too, made his report, and in course of time a carpenter and his mate were sent to do the work. In the other case a man who was painting a door declared that he must not take out the screws of the door-plate, and so remove it, because that was a carpenter's job. A carpenter, therefore, was sent for to remove the door-plate, and was sent for again to screw it on when the door had been painted. If London County Council work in general is done on the lines suggested by these two incidents there is no occasion for surprise that it should involve so heavy an expenditure.

Municipal Employés and their Votes.

The cost of public work when carried out by direct labour is undoubtedly a matter of serious concern, but there are other things besides. Notably there is the fact that already municipal *employés* form so numerous a body that they are establishing trade unions of their own in many different parts of the country; and already they have discovered the use to which they can put their votes as a means of exploiting local government to their individual advantage. As an illustration of this fact there may be cited the case of the Municipal Employés Association, which has its headquarters at Canning Town, in the east of London, and claims to represent 30 branches and a membership of over 2,000. This association is officially stated to have been formed "to promote and protect the interests of municipal *employés*." Among the special objects set out under the heading "What we Want," are the following:—"(1) Thirty shillings per week to be the lowest wage at which any male adult should be employed in London, and 28s. per week in large provincial towns. (2) No outdoor or manual work more than 48 hours per week. (3) Uniform wages and hours of duty in all districts for all the grades of *employés*." Thus there is to be not only a *minimum* wage and a 48-hour week, but all the *employés* in the same grades are to have precisely the same rates of pay, irrespective of any difference in efficiency, the good worker having no more than the inferior one, and no incentive whatever to rise above the level of the most incompetent. All this is bad enough, from an industrial standpoint, but still more significant is the following paragraph (among others) given under the heading "How we Do It.":—"By questions to candidates at municipal elections. Those candidates who will not pledge themselves definitely to the above we do not vote for." The circular in which all this is set forth further states:—"There are about 30,000 municipal *employés* in and around London. What an army!" One can easily imagine that, if the whole of the members of this "army" were to act on the lines here laid down, and if the direct employment of labour by local authorities, not alone in London but throughout the country, underwent still further development, the municipal *employés*, exercising their own voting power and influencing the votes of others who hoped to join their ranks or to benefit by their conditions, might control the situation, or at least entirely change the relationship that has hitherto existed in local administration between representatives and represented. Already it has happened at Derby that the corporation *employés* on one occasion issued an "appeal" to the electors in support of a particular candidate at a municipal election.

The only effectual way of checking the various evils thus foreshadowed would be to deprive corporation servants of their right to vote at municipal elections so long as they remain in municipal employment; and this idea is gaining support in various directions. Thus Mr. E. O. Smith, the Town Clerk of Birmingham, has said on the subject:—

> I do think it is a danger; but I think that it is a danger that must be faced. We have not up to the present time experienced any disadvantage in having a large number of corporate workmen who are also municipal voters. Speaking purely my own personal opinion, I should like to see all corporate *employés* disfranchised. I have yet to learn, however, that any unfair pressure is put upon the corporation by their workmen.

Then Sir Thomas Hughes, who has had a prolonged experience of municipal affairs at Liverpool, has expressed his opinion that there is no very great hardship in a man's "ceasing to have a voice in the choice of his master" on becoming a corporation *employé*; and Alderman Southern, of Manchester, has said:—

> There seems a disposition more and more for municipal *employés* to coalesce, and although there may not be any absolute abuse in that direction to-day, yet there is, I think, a little cause for anxiety if these *employés* should band themselves together and vote for a candidate without regard for his fitness, or to any other question but whether he will vote for an increase of their wages or whether he will not. If that came about it would be a very awkward thing, and it might lead to disfranchisement for municipal purposes for those who would otherwise elect their own masters.

The undesirable relationship which would arise between the elected employer and the elector *employé* would be still further complicated by the carrying out of an elaborate municipal housing scheme under which such elected employer became also the landlord of a considerable body of the electors. The latter would then be able to say not only "You shall not have my vote unless you promise a *minimum* wage and a 48-hour week to municipal *employés*," but also, "neither shall you have it unless you promise a reduction of rent to municipal tenants." If this further development were brought about—and it is quite conceivable that it might be—somebody, perhaps, would be led to suggest the disfranchisement, not only of municipal *employés*, but of municipal tenants in addition.

Direct Employment and the Socialist Programme.

The question of the direct employment of labour, as typified by the setting up of the Works Department of the London County Council on the lines narrated above, has been mostly discussed from a purely financial standpoint; and the borough engineer and surveyor of an important county borough in the North of England has declared on the subject:—

> There is a good deal to be said, in my opinion, in favour of a Works Department if properly worked and sufficient power is given to the head of the department to exercise unfettered his judgment in the carrying out of such works as are entrusted to him, and from my own knowledge, which is somewhat extensive, I have known work carried out within the estimates at a figure a contractor would not look at.

This may be perfectly true; but the whole problem of the direct employment of labour by municipalities must be looked at from a broader standpoint than that of profit or loss; and one may fairly assume that the anxiety of the Socialist and Labour party to secure the expansion of such employment, whether by means of works departments or otherwise, is due to some other motive than merely the promptings of a local patriotism in favour of municipal economy. Certain it is that from the point of view of the avowed Socialists the transformation of local authorities into large employers of labour is simply a means towards an end of which they never lose sight—the eventual transfer to the State or to the municipality of all the means of remunerative employment.

Direct evidence on this point will be found in a pamphlet entitled "Facts for Socialists," published by the Fabian Society. There, under the heading "Some Steps already taken towards Socialism," after the statement that "the supply of water, gas, and electric light, the establishment of markets, slaughterhouses, tramways, baths, wash-houses, cemeteries, harbours, libraries, bands, art galleries, museums, open spaces, gymnasia, allotments, the building of workmen's dwellings and municipal lodging-houses are being carried out by municipal authorities for the common good," one may read—

> The establishment of works departments and the direct employment of labour is a result of municipal development which is yearly transforming hundreds of workers into State servants. . . .
>
> By these and similar means, very greatly extended, the emancipation of the workers from the burden of private monopoly will slowly but surely come.

Then in a Socialist address to the working men of Bradford, issued just before to the municipal elections of 1897, it was said:—

> Is there any reason why the municipality should not itself organize its industries, so that it could supply almost every public want without the intervention of the profit-monger? Why should not a corporation have its own quarries, ironworks, printing office, and workshops for various industries? The city of Bradford alone could give employment to some thousands of workers, guaranteeing good wages and reasonable conditions of work, and saving the middleman's profit. Within a radius of 15 miles from Bradford there are corporate bodies having a total population of more than a million. What a mighty industrial organization these public bodies might form if only they worked in co-operation! . . . This matter of municipal employment is of the greatest importance to all who have to earn their daily bread. . . . It is to municipal organization that we must look for the beginnings of that industrial reform which will one day solve the problem of the unemployed. Here lies the hope of the worker who desires constant employment. Step by step public bodies must move along this line until they are in a position to supply all their needs. Year by year the public mind will become more enlightened, and one industry after another will be taken in hand until we have one gigantic co-operative concern, whose sole object will be to supply the wants of the community. Instead of a number of private firms working in a patchwork manner, each with its own private ends to serve, we shall have an organization carrying out a public undertaking from beginning to end and without any other object in view than the good of the people.

So recently, too, as March 29 of the present year the following note by "Tatler" appeared in *Justice*, the official organ of the Social Democratic Federation:—

> Another "stalwart" to whom I referred last week is comrade Tom Lewis, of Southampton. I can imagine no one less likely to compromise than Tom. He is thorough, if ever any member of the S.D.F. was, and a good fighter, and youthful at that. But he is on the town council at Southampton, and there he has, so I am informed, just succeeded in piloting through, practically with no opposition, a rise in wages for nearly all the corporation workmen. Only a "palliative" again, and one, perhaps, beneath the contempt of some of our intransigeant brethren, but a practical good to the workmen of the Southampton Corporation and a useful bit of propaganda as well.

While, therefore, the dupes of the Socialists on a local governing body and the innocent-minded officials may worry themselves about "estimates" and "cost" in regard to questions of direct employment, the point of concern with the Socialists themselves is the securing of converts for their cause and the gaining of further machinery for the carrying out of their own programme.

The Element of Trade Unionism.

In addition to the helping hand which municipalities indulging too freely in a resort to direct employment give to the Socialist propaganda, there is the serious danger they run of getting far too much mixed up with the general trade union movement. Already in many boroughs the municipality is the largest employer of labour in the place; and, as already indicated, the municipal *employés* are now forming regular trade unions of their own. Among those already established, in addition to the one referred to above, may be mentioned the Hackney Municipal Labour Union, the City of Westminster Municipal Labour Union, the Camberwell Municipal Labour Union, the Bolton Corporation Servants' Society, the Hull Corporation Employés' Protection Society, the Dudley Corporation Employés' Trade Union, the Liverpool Corporation Workmen's

Union, the Birmingham City and District Lampmen's Union, the Birmingham City Park Men's Union, the Glasgow Corporation Workers' Union, the Limerick Corporation Employés' Union, the Dublin Fire Brigade Men's Union, and the Belfast Municipal Employés' and other Workers' Trade Union. Some of these seem to be harmless enough in their objects. The "Dudley and District Corporation Employés' Sick and Protection Society," for instance, is a body of not more than about 80 members, and, according to its rules, it seeks :—

To secure the prices and wages legally bargained for by the members.

To prevent illegal stoppages, and to protect members when unjustly dealt with by foremen or managers.

To provide a weekly allowance for members who may be locked out, or on strike, sick, and secure a sum at death of member, member's wife or child.

The rules themselves are, in fact, quite innocent, as they stand. Where the special significance of the society's operations lies is in the fact that it is directly connected with the Midland Counties Trades' Federation, which, in turn, is affiliated with the National Federation of Trade Unions. While, therefore, it may seem excusable enough for a body of corporation *employés* to unite for "sick and protection" benefits or purposes, it is quite another matter when the small local society is associated with a national federation which, if differences arise, would be able to lend powerful support to the *employés* as against the corporate body, or might exercise considerable influence on the minds of the working class voters in general when the municipal elections came round. In the same way the Poplar Municipal Branch of the Gasworkers' Union has joined the Borough of Poplar Trades and Labour Council, which is affiliated with the South and East of England Federation of Trades Councils ; and many other instances of a similar kind could be given.

But a still more serious position is reached when one finds to what an extent trade unionism, co-operating more or less with the avowed Socialists, is itself exploiting local government, either in its own particular interests, or in those of the labour party in general. Here there is the two-fold aim of strengthening the position of trade unionism, as such, by inducing the local authorities to adopt trade union conditions in regard to either employment or contracts ; and of increasing the amount of municipal employment, by a larger resort to "trading" ventures, by the setting up of Works Departments or by doing "direct" everything that can possibly be so done.

In regard to the former of these points there is no doubt that the readiness with which so many local authorities have adopted the L.C.C. policy of a "fair wages clause" or "trade union conditions" has had a powerful effect in maintaining the vitality of trade unionism in general, just as there is no doubt that it has tended both to increase the cost of contracts and to keep work out of the hands of many firms who would not accept the conditions imposed. As for the fascinations of municipal employment, they are found not only in the fact that such employment is notoriously of a "go easy" character, but in the further circumstances that a man taken on by a municipality is generally kept on whatever may happen, and that in the matter of wages he represents what is essentially a privileged class. It is not only that municipal *employés* can mostly depend on getting the trade union rate of wages —and sometimes even more—for a very moderate amount of work ; but there is also the fact that while the wages of men and women in ordinary occupations rise or fall according to the state of the labour market—and often fall very substantially—the wages of persons employed by local authorities show one tendency only, and that is—to rise. The "*Employés* of Local Authorities" are now so numerous a body that they have a heading all to themselves in the list of "Changes in the Rate of Wages," appearing month by month in the *Labour Gazette* ; and the figures there published show for the twelve months from February, 1901, to the end of January, 1902, that while there were great fluctuations in the rates of wages for ordinary workpeople, the position in regard to the wages of *employés* of local authorities was as follows :—Increases, total number, 39 ; workpeople affected, 3,324. Decrease, 1 ; workpeople affected, 13. This solitary example of a decrease during the course of a year occurred at Dundee, where the municipal stonedressers had to suffer a reduction of 10 per cent. How the ordinary workers fared is shown by the annual report by the Labour Department of the Board of Trade on changes in rates of wages and hours of labour in the United Kingdom in 1901. From this it will be found that during the year about 430,000 workpeople received advances amounting to £41,000 per week, while 493,000 had to submit to decreases amounting to £118,000 per week, the net weekly decrease for 1901 being thus £77,000 against net increases of £209,000 in 1900 and £91,000 in 1899. Throughout the whole of 1900, also, there was only one recorded instance in the United Kingdom of a reduction in the pay of corporation servants, and in that case nine enginemen and boilermen at the Blackburn Gas Works were paid 7s. 6d. a week less on the concession to them of an eight-hours day. The meaning of all this is that, while the commercial trader must reduce wages, if needs be, to suit the exigencies of production, &c., the municipal trader, unhampered by ordinary commercial considerations, maintains a high rate of wages either by reducing "profits" to a vanishing point or by drawing on the rates. Thus it may happen that, owing to an increase of rates from such causes as these, the ordinary workman whose wages have gone down may have to pay a higher rent on his house in the interests of the municipal workman whose wages have gone up.

One sees, therefore, that trade unions are interested in municipal government because the strengthening of their position thereon means the enforcement of trade union rates and conditions on local authorities, and, through them, on manufacturers in general ; while the individual workers find in the increase of municipal enterprise a greater chance of their being able to join the privileged class of corporation *employés* engaged on works or undertakings where commercial principles are a negligible quantity. So it is that trade unions, as well as the avowed Socialists, have their own particular reasons for combining to capture local government, quite independently of the general aspiration of each to secure the provision of

municipal luxuries for the masses at the expense of the classes.

The "Labour" Electoral Machinery.

The outcome of these conditions is that, while the middle-class voter has been as apathetic as ever in regard to municipal questions, the Socialist and trade union interests have been quietly consolidating their strength with the idea of electing to the local governing bodies men of their own class whose special mission it will be to support the "programme" they represent, gaining all they can for the "toilers" at the cost of the general body of the ratepayers, and, more especially, making every possible effort, either by the municipalization of industries or by a resort to public works not in themselves essential to the welfare of their town, to broaden the scope of direct or indirect employment.

To find evidence on this point one has only to look at the constitution of the Municipal Workers' Committees which are now being formed in most of the large industrial centres. Glasgow, Halifax, and some other places are left for special reference later on, but the position in one or two other towns may here be mentioned as indicating the general nature of the organizations in question.

The Edinburgh Municipal Workers' Committee is formed of representatives of the Trades Council, of about 90 trade union branches, of the Co-operative Society, and of the Independent Labour Party. There are three delegates from each, and these delegates select the candidates for the local governing bodies, the final choice, however, being subject to the discretion of an executive. The committee finances the candidates, the funds being raised by voluntary contributions, by the distribution of collecting sheets among the trade unions, and in other ways. The committee contests town council, school board, and parish council elections, and it holds open-air propaganda meetings in support of its programme, which includes housing, municipal coal supply, municipal drink traffic, municipal hospitals for consumptives, and the usual labour conditions.

The committee at Dundee is formed on the same lines as that at Edinburgh, and there, too, the candidates are financed by the committee, the funds, however, being raised not only by voluntary subscriptions, but also by an annual affiliation fee of not less than 5s., charged to the various bodies joining. Here, also, the trade societies nominate the candidates, but the committee decides, and those selected are bound to accept the official programme, on which the items are "evening meetings, 48 hours per week for *employés* and 21s. *minimum*, municipalization of liquor traffic, direct employment, municipal control of labour, and municipal banks."

The Bristol Municipal Workers' Committee is elected by the trade unions only. From one to three delegates are appointed to the committee by each trade union, six are chosen by the Trades Council (one of whose objects is "to promote the return of *bona fide* Labour representatives to all district and national governing bodies"), and others by the Labour Electoral Association. The purpose of the committee is to contest all local elections; and it entirely finances the candidates it runs, raising the funds by means of voluntary levies of between 6d. and 1s. on members of trade unions, and so on. The programme which the selected candidates are bound to support comprises "municipal ownership of monopolies, direct employment, and trade union conditions." As for the results attained at Bristol, the Labour Electoral Association is able to report to its members that "this association (*sic*) has now three representatives on the City Council, where their action in respect to" trade union wages, among other matters, is "known and appreciated by all who prefer work to mere talk in labour matters;" that "the work of your four representatives on the Guardians in raising the standard of out-relief," &c., has given approval, and that "your one representative on the School Board has done his best," among other things, "to secure the due observance of trade union conditions."

At West Ham the position is especially striking; for there the Municipal *Employés* Association contributes to the finances of the Labour Representation Fund of the West Ham and District Trades and Labour Council. The members of the association thus, presumably, have a powerful voice in the selection of the candidates, who, if elected, will be not only their representatives but their employers; for, as the Trades Council comprises 25 trade unions, with 6,250 members, it ought to have a good deal of influence in this direction. In other ways, too, the Trades Council gives a helping hand to the municipal *employés*, as illustrated by the fact that in the course of last year it sent a deputation to the town council "with reference to the unwarrantable dismissal of carman E. Leggatt."

In the same way the municipal *employés* at Leicester have a society of their own which is one of 35 labour unions affiliated with the Leicester Trades Council. This council joins with the local Independent Labour Party in selecting the candidates who are to be run in the labour interest, each body defraying half the election expenses of those candidates, while the Trades Council further "pays for loss of time when necessary." The "municipal programme" which has been agreed upon at joint conferences of trade unionists, co-operators, Socialists, and others, includes such items as the observance of trade union conditions, and the payment of not less than the trade union rate of wages for each occupation represented by the corporation's *employés*; the direct employment of labour by the Town Council, wherever possible; the establishment of a works department; the municipalization of tramways "and other modes of transit"; the municipalization of public infirmaries; municipal fire insurance, municipal refreshment houses, a municipal bank, and other things besides.

The intimation given here that the Leicester Trades Council "pays for loss of time when necessary" is better illustrated by the case of Cardiff, where the Labour Representation Fund of the local Trades and Labour Council (which comprises 47 trade unions) gives £7 4s. the year as "wages" (*sic*) to one town councillor, who is a stone-mason, and £9 1s. 4d. the year to another, who is a coal-trimmer. Cardiff is a town which has been especially active in regard to "municipal enterprise," and one can under-

stand, therefore, the desire of the local Trades Council to have a finger in the municipal pie.

Sheffield offers the example of a borough where the corporation give such especially favourable terms to the municipal *employés* that many of the local workmen find it to their advantage to leave the skilled industries and become tramcar drivers or conductors, or even street sweepers, instead. This is one of the reasons why there is so much shortage in the labour available in the various branches of the cutlery trades of Sheffield. The usual answer to this is that the manufacturers should pay better wages, so as to offer greater inducements to their men to stop with them. But while, on the one hand, the Sheffield corporation are in a position to pay whatever wages they please, and have always the local rates to fall back on, the general body of employers have to meet a home and foreign competition which renders it impossible for them to pay fancy wages to their workpeople, and so their businesses suffer from lack of sufficient hands. These tendencies at Sheffield seem likely only to increase as the result of the municipal elections there last November. The combined Liberal and Labour Party obtained so complete a success on that occasion that they re-arranged the committees of the Council according to their own way of thinking, securing a majority for themselves on each, and even choosing those who were to form the minority, as well, on each committee. Men of great experience in municipal work were removed from the more important committees on to the Parks and General Purposes Committee, which is locally regarded as a sort of "refuge for corporation cripples," and a leading trade union official was made chairman on each of the two great spending committees. Thus the chairmanship of the Health Committee, which employs about 720 men, was given to a certain member who was originally the secretary of the Britannia Metal Smiths' Union (a body having only a few hundred members), and is now the personification, more or less, of the Sheffield Trades Council; while the chairmanship of the Highways and Sewerage Committee, which employs about 2,000 men, was given to a member of the Council who is secretary to the Sheffield File Forgers' Union and the local correspondent of the Labour Department of the Board of Trade.

In view of such facts as these the reader will appreciate the special significance of an incident which occurred at a meeting of the Sheffield Town Council last February. The minutes of the Health Committee contained a report on a dispute which had arisen with the carters employed at the Heeley depôt, a recommendation being made that a certain Frank Hall, who was charged with attempting to influence the men not to work, "be left in the hands of the Amalgamated Union of Labour to be dealt with." One of the councillors very properly protested against this suggestion, on the ground that to delegate to an outside body the power of dealing with corporation workmen would set up a dangerous precedent. From the explanation given by the chairman of the Cleansing Sub-Committee it seemed that Hall, described as the "ringleader of the trouble," was not only accused of attempting to influence the men not to work, but had also made a charge against Mr. Bailey, the secretary of the Amalgamated Union. "It was thought once," the chairman proceeded to say, "about dismissing him, but better counsels prevailed. It was said that, if they did that, Hall would probably appear as a martyr. Rather than have any further friction they thought, in the long run, it would be better if they left him in the hands of Mr. Bailey to deal with the charge which Hall had made." Another member added that "they wanted to deal with Hall, but Mr. Bailey said he would be better dealt with by the Union. They were anxious there should be no further friction, as there would have been if they had attempted to deal with the man." To this the chairman of the Health Committee added that "he had received from Mr. Bailey an apology, sanctioned by the men, to the effect that they acknowledged they had made a mistake, and that it was committed as the result of a misunderstanding." In the end the council resolved to delete from the minutes the reference to the Amalgamated Union of Labour, and thus saved themselves from establishing the "dangerous precedent" spoken of.

The position at Bradford illustrates the considerable degree of influence which even a small number of labour members may exercise on a local governing body. Twelve years ago the Conservative and Liberal parties on the Bradford City Council were nearly equal in strength, and it became evident that the party which could secure the support of the labour representatives, then about five in number, would be masters of the situation. There were eight aldermen to be elected, and the Liberals told the labour party that they should have one of the aldermanic seats in return for their co-operation. The Conservatives went "one better" by offering them two seats, and to this the labour party agreed. Thus supported, the Conservatives remained in power until the labour section transferred its allegiance to the Radical party, on their displaying a greater readiness than the Conservatives to swallow certain items on the labour programme. In the meantime the labour party had secured the insertion of a fair wages clause in corporation contracts, greatly strengthening the position of the trade unions; they had taken their share in the carrying out of a variety of municipalization schemes which, on the one hand, have helped to raise the municipal debt of Bradford to £8,000,000, and, on the other, have greatly increased the resort to municipal employment, and they were so far encouraged that they were led to make special efforts to increase their own strength on the council. Hence there was formed, during the course of last year, a Bradford Workers' Municipal Election Committee, composed of two representatives of the Trades and Labour Council, two representatives from each society affiliated with the Trades Council, and ten representatives from the Independent Labour Party, giving a total of 80 representatives altogether. The municipal elections of 1901 resulted in the return of all the retiring labour aldermen and councillors and the capture of an additional seat. But there have since been further developments; for earlier in the present year the Bradford Workers' Municipal Election Committee was dissolved, and a Bradford Workers' Municipal Federation was substituted for it, the main difference between the two being that,

while the Independent Labour Party was represented on the former body, it declined to join the latter. Besides the Trades and Labour Council 18 trade societies and branches became affiliated with the new federation, among them being; the following :—Amalgamated Society of Engineers, Amalgamated Society of Railway Servants, General Union of Co-operative Joiners and Carpenters, Union of Boot and Shoe Operative Society (National Union), National Union of Woolsorters, Weavers and Textile Workers' Association, Enginemen and Firers (Leeds and Yorkshire), National Association of Plasterers, Wool, Top, and Noil Packers' Association, Bookbinders and Machine Rulers, and the Amalgamated Society of Dyers. The object of the new organization is to secure the return of labour representatives on the city council, board of guardians and School Board, to issue test questions to all other candidates when deemed necessary, and to formulate a programme to which all candidates receiving financial help must agree. The federation is to be financially responsible up to £25 for all candidates adopted, and each organization affiliated with the federation pledges itself not to run other candidates without the endorsement of this federation. At the first meeting of the new organization on July 2 it was decided to contest three wards at the next municipal elections, and a committee was appointed to endeavour to get the allegiance of some 24 trade societies in Bradford which had not then joined.

At Swansea there are seven labour members on the town council, two on the board of guardians and two on the School Board. Of those on the town council six are trade-union officials. One of them is the local secretary of the Dockers' Union ; and he occupies on the council the position of chairman of the Streets Committee, in which capacity he has a considerable number of municipal *employés* under his control. Two of the other five are also officials of the Dockers' Union, one is with the Labourers' Union, another with the stonemasons, and one with the engineers. Two of the dockers, the labourer, and also the stonemason work at their respective callings, in addition to discharging their official duties on their trade unions. In June last there was a debate in the town council arising out of some allegations that the chairman of the Streets Committee had been showing undue influence in getting one *employé* dismissed and in having a particular individual taken on in his place. The allegation was denied, but, in the course of the discussion, one member said—

He did not want to quarrel with Mr. Merrells or fall foul of the Dockers' Union, but he told them honestly that, seeing that the majority of the *employés* of the Corporation were members of that Union, and that Mr. Merrells was the local secretary, he did not think it right that Mr. Merrells should act as chairman of the Streets Committee.

Another member of the Council alleged that—

Some influence was at work in Swansea whereby men were being treated wrongly, and things were taking place showing that if a man had not got a dockers' certificate he could not work under the Corporation for any length of time ("Shame"). He had had occasion to ask a workman why it was that a member of another union than the Dockers' could not have quietness to do his work without being molested. If the men who drove the horses had not made a bold stand they would have been coerced into joining the same union. That was taking place continually, and he could give the names of a dozen persons who had been molested.

There are other towns which might be dealt with as well ; but the instances given will suffice to show alike how keenly alive the trade unionists are to the advantages of municipal employment, the vigorous efforts they are making to exploit local government, and, also, what is the condition of things we may expect to see brought about when they succeed in their aspirations.

VIII.

(THE TIMES, SEPTEMBER 16, 1902.)

A SOCIALIST REGIME AT WEST HAM.

Nowhere in this country have the Democratic principles which lie at the very basis of Municipal Socialism had a better chance of showing what they can do in the way of local government than they have had at West Ham ; but a more ignominious fiasco of what has been described as "a genuine social communal administration" could hardly be conceived.

The County Borough of West Ham ranks as the most important of the metropolitan suburban municipalities. Its growth has been surprisingly rapid. Half a century ago it had only a few thousand inhabitants, and 30 years ago it had 50,000. In 1891 the population was 205,000, and it has now reached a total of over 275,000. This expansion is due partly to the setting up of many great industrial concerns over a wide area—for the borough extends a distance of about six miles from north to south—partly to the influx into the district of a great number of people who work in London but have, at different times, been ejected from their dwellings owing to various metropolitan improvements, and, also, partly to the facilities offered by the Great Eastern Railway Company in the way of workmen's trains and cheap fares. The borough includes within its area the Victoria Docks, a portion of the Royal Albert Docks, the locomotive and carriage works of the Great Eastern Railway Company (where alone 5,000 hands are employed), the works of the Thames Iron and Shipbuilding Company (Limited), and a miscellaneous collection of chemical works, gas works, indiarubber and gutta percha works, soap works, jute works, sugar refineries, and other industrial enterprises. But of the 45,000 assessments within the borough 35,000 relate to cottages of the rateable value of £20 or under. These figures suggest, what is really the fact, that the great bulk of the resident population are of the artisan or labourer type, and that the chief burden of the local taxation falls on a comparatively few persons or interests, and more especially on limited liability companies which cannot vote in local elections at all.

West Ham became a local board district so far back as 1856, and it was granted a charter of incorporation in 1886. Had a community so thoroughly artisan in its character shown a certain degree of moderation, if not of actual economy, in its system of local government, so

jar as might be consistent with the real requirements of the people, it would have deserved the approval of every prudent person. But the local affairs have been so conducted that the present loan debt of West Ham is over £1,400,000, and the rates amount to no less than 10s. 8d. in the pound. As items on the list of West Ham's expenditure it may be mentioned that the borough possesses two sets of municipal buildings, one in the north and one in the south of its district; a technical institute, free library, and museum in the north, erected at a cost of over £92,000 (Mr. Passmore Edwards contributing £4,000 to the museum); a second "central" free library in the south, which cost £9,000; a hospital for infectious diseases at Plaistow, which cost over £106,000; a borough lunatic asylum, which cost £300,000, for the accommodation of only 600 inmates; a smallpox hospital, which has been erected at Dagenham, Essex, at a cost of over £20,000; and an electric lighting installation, which involved an expenditure of over £100,000, and is working at a loss of about £2,500 a year, while the borough is taking over the tramways, which will involve a total expenditure of at least £700,000. In various ways West Ham has, in fact, supplied herself with public buildings or embarked on municipal enterprises at a cost which would be more in keeping with the wealth and position of such cities as Edinburgh or Glasgow, Liverpool or Manchester, than they are with a working-class borough on the outskirts of London.

Advent of the Socialists.

The tendency towards extravagance in matters of local government has been more or less characteristic of West Ham since the time of the incorporation, and must be attributed mainly to the fact that the greater part of the rates has been paid by the large employers of labour, tradespeople, and middle-class or well-to-do residents (of whom there is a certain proportion in the Forest-gate district), while under the compounding system the artisans and labourers who formed the bulk of the population, and controlled the electoral power, did not directly feel the local burdens, and scarcely realized that there were such things as rates at all. But the real era of extravagance and of a system of local government in West Ham which became an absolute public scandal set in with the advent to power of the Socialist party.

This event was brought about in the first instance as the outcome of the great dock strike of 1890. It was within the boundaries of the borough of West Ham that the industrial battle was chiefly waged; and one result of the conflict was that it brought to the front as leaders of men a number of individuals who would otherwise have lived in obscurity. The fighting over, they celebrated peace by showing greater activity in the formation or strengthening of local Socialist societies and trade unions of an aggressive type, and in the development of an organization which they utilized in the municipal elections. Some men of their class were already on the West Ham Town Council, but their numbers began to increase in 1892, and the so-called "Labour Group"—composed of avowed Socialists and Labour representatives, and known under the generic name of "the Socialist party"—became a noteworthy factor. It has been admitted even on their own side that from the first they "preached" extreme Socialism from the floor of the council chamber, and sought to enforce it in every possible way. It is none the less true that their greatest aspiration was to do all they could for their friends and supporters outside, and so, at the same time, offer greater inducements to the general body of the working-class electors to join the Socialist party, and to increase its strength on the town council.

This double purpose they thought to achieve by creating as many openings as possible in the way of municipal employment. In the first instance they demanded the formation of a works department, and the other members of the council, being more or less of a so-called progressive type, agreed to make the experiment. The department was duly set up, a considerable number of men were taken on, and the department was put under the charge of a manager, who was to carry out all the public work decided on by the council, no tendering by outside contractors being then allowed. Such was the fashion, however, in which the work was done that it was aptly described by one alderman as "the municipalization of laziness." There was little or no control over the men, with whom it was essentially a case of "go as you please." One or two members of the council who had been builders went one day to see how a certain work was progressing, and they found that two men had been for three weeks on a job which one man ought to have finished in three days. In such circumstances as these the cost of work went up enormously. The works manager estimated, for instance, that certain renovations to be carried out in the Stratford Town-hall by his department would cost £900; but, though nothing more was done than he had allowed for, the bill came to £2,000. At the end of two years all the works carried out by the department were "measured up." It was ascertained that the amount expended on them over and above what they would have cost had they been given to contractors was £50,000. Thereupon the works department was stopped for a time. Its only real success had been in the manufacture of a certain kind of artificial stone, still carried on.

Meanwhile the Socialists had been steadily strengthening their position as far as possible with the view of securing an actual majority on the town council. They had increased the number of their supporters outside by the impression they had given that the advent of the Socialists to power would mean the creation of a good many "soft" positions; they had gained some more seats on the council; and at the municipal elections of 1898 they made a vigorous and, as it proved, a successful, bid for supremacy. The average elector was still so apathetic about his local affairs that in one ward of 10,000 burgesses a Socialist candidate got in who had polled only about 400 votes. In the result the Socialists found themselves in a majority; and then began a system of jobbery which is probably without example in the whole history of English municipal life.

There were positions of honour on the town council—those, namely, of aldermen and chairmen of committees—and there were also two positions of emolument outside the council—

those of representative of the borough on the Thames Conservancy Board and on the Lee Conservancy Board—to which the majority on the council had the right to elect. But the successful Socialists were much too shrewd to take over these positions for themselves individually. They were quite content with the organizing secretaryships of some trade union or Socialist society to which their appointment on the town council generally led. What they now wanted was to secure as large a majority on the council as possible ; and to do this they proceeded to offer the posts of honour as bribes to certain "waverers" in the council as an inducement to them to leave the "old gang," as it was called, and go over to them. They would not re-elect any of the "old" aldermen, whose valuable experience in local affairs was thus lost to the council ; and to those of the aldermanic chairs which were not filled up by the waverers they appointed the Socialist representatives of wards where the party was certain of success in the fresh elections. Among the individuals thus raised to the position of alderman in a borough of 275,000 inhabitants, with great commercial interests of the nature already described, was a baker's carman, who had been elected to the council two years previously ; there was a theatrical manager, over 60 years of age, who had been on the council only one or two years, and took interest in nothing but his own aspiration to get a liquor licence for his theatre ; and there was another person who had had no previous experience of municipal work. Among the general body of Socialists on the council were two bricklayers' labourers and various trade union leaders or paid agitators.

Government by Clique.

To make certain of keeping the majority thus got together, and more especially to prevent their new supporters from leaving them owing to any compunctions of conscience, the Socialist leaders persuaded all the members on their side to sign an agreement pledging themselves that for the next three years they would vote in the council strictly in accordance with the decision to be arrived at by the majority of those attending a private meeting of the Socialist party to be held the evening before the day when the council would meet. To make this promise the more binding each member of the party was required to write out and sign his own resignation as a member of the council, the understanding being that this document would be kept and presented to the town council if the member should at any time fail to carry out the agreement.

The effect of all this was that, so long as the agreement was adhered to, every one knew that any motion brought forward on the Socialist or Labour side would be carried in the council, whatever arguments might be adduced against it, and every one knew also exactly how the voting would go. Thus the local government of West Ham was reduced to government by a clique. The fate of any question to be brought before the town council would be decided by the majority at the private meeting, those of the Socialist majority who did not attend getting their "instructions" at the council meeting next day as to how they were to vote. In one instance, it is said, the secret conference was attended by seven of the Socialists, four of whom were in favour of a paving scheme substituting, at great expense, wood for granite on the main road through Stratford, while three were against the wood on the ground that it was quite unsuited for the heavy traffic of the district. Under the agreement the entire Socialist party was bound by this majority of one. Another time a member of the party carried a motion at the private meeting, and then, having an engagement elsewhere, went away. He had no sooner left than the others reversed their previous decision, and at the council meeting next day the individual in question got his "instructions" to vote just the opposite to what had been laid down by his own motion. Still another member of the council, a small tradesman who had been made an alderman by the Socialists, once thought he would show his independence by voting as he thought fit. A day or two later there were pickets in front of his shop advising people not to deal with him, and the alderman then thought it prudent to agree with the views of his party.

Direct Employment.

One of the first uses made by the Socialists of the majority they had thus secured was to re-establish the Works Department. That this department had previously involved a loss of £50,000 was nothing to them compared with the fact that it would enable them to give employment to so many of their friends outside and thus, indirectly, improve the prospects of the Socialist party. One of their most noted adherents repeatedly declared in the council chamber, "I don't care for the rates or the ratepayers. All I care for are the men who sent me here." And in order that the men to be taken on in the resuscitated Works Department should have a good job to start with, it was decided to entrust to them the building of a large infectious-diseases hospital, estimated to cost £100,000. The department had not then been formed, and there was consequently no plant ready, while for any beginners to commence at all with a £100,000 job was almost an unprecedented undertaking. But these were matters of detail. After a delay of some months in organizing the department the work was started and the hospital built, the actual cost being £6,000 above the estimate.

Having started the Works Department afresh, the Socialist majority next gave to all the corporation *employés*—builders, stablemen, dustmen, and scavengers included—an eight-hours day, and higher wages in addition. In the case of the men engaged with the steam roller the eight-hours day meant that, deducting the time required for getting up steam and for going to and returning from the place where the roller was required, and allowing also for the dinner hour, the borough got about five hours a day actual service from a costly machine. In the stable department the men found that, with their shorter hours, they could make, say, only two journeys instead of three, or must take only half a load instead of a full one, so as to get over the ground sooner and be sure to finish off work at the end of their eight hours. When uncertain whether a journey could be done within the allotted period they gave themselves the benefit of the doubt, and did not make it.

So, in order to get through the work of the department ordinary contractors had to be called in to assist. Their charge for horse, cart, and man per day averaged 9s. 6d. to 10s. 6d., whereas the expenses of the stabling department worked out at 11s. 1½d. per day. Altogether the stabling department was run at a loss to the borough of £8,000 a year, equal to a rate of 2d. in the £. In regard to wages, what the Socialists aimed at was to fix a *minimum* of 30s. a week for all corporation *employés* ; and in the municipal contests of 1899 their favourite election cry was :—" Vote for me, and I will vote for an eight-hours day and 30s. a week." They did not get as high as this for all *employés*, but what they did was to pay the labourers, not merely the trade union rate of wages, but 20 per cent. over that rate. They even proposed to pay 37s. 6d. a week to the men who were employed as stokers in the public baths ; but they abandoned the idea when protests were raised on the ground that men doing similar work in factories in the borough were getting only 25s. a week. Altogether, the combined effect of reduced hours and increased pay was to send up the cost of corporation work by about £12,000 a year, as compared with what it would have cost if done by contractors.

Then the Socialist majority went in for housing schemes. Private enterprise was adding to the available accommodation at an average rate of 900 houses per annum, but the Socialists thought they must have municipal dwellings as well. They accordingly instructed the Works Department to put up a row in Bethell-avenue, and they even had these dwellings supplied with electric light from the municipal electric-lighting station, providing each tenement with five 8-candle power lights for—sixpence a week ! The actual cost to the borough would work out at a shilling a week, at least. It was the corporation *employés* themselves who mostly rented the dwellings where luxuries were thus supplied at less than cost price ; and those *employés*, indeed, representing alike the friends and the electoral supporters of the Socialist majority, soon became their pampered favourites. The more money they got the less work they did. As a case in point, there was a bandstand constructed by " direct labour " on Wanstead Flats—a structure which, in the opinion of an expert, might have been put up by a private builder for £200. The first estimate for the stand in question was £190, the second was £250, and the actual cost was £471 10s. 1d. In the construction of the stand the materials cost £166 and the wages £239. In the painting the cost of the materials was £2 19s. 6d. and that of laying them on was £22 18s., items for cartage and plant and depôt charges raising the total to the sum stated. In giving an account of the way in which the work was done, a member of the council said :—

> It was an eyesore to him to go to the Flats and see the organized laziness going on ; in fact, he could scarcely sleep for it. One could not resist the feeling that the men objected on principle to doing work between meal times.

If one of the corporation *employés* was discharged for drunkenness or neglect of duty, he had only to speak to a Socialist member, and the matter would be brought, not before a committee, but before the full council, and there discussed at wearisome length, with the result, as a rule, that the man was reinstated and the manager or foreman rebuked. As for trade union " leanings," not only were trade union rates and conditions always granted or enforced, but an alderman has been known to stop the men employed on corporation work and ask to see their union tickets ; some non-unionists who had obtained employment on the corporation dwellings in Bethell-avenue were discharged at the bidding of the unionists, who threatened to strike if the others were not got rid of ; and a most capable chief engineer, who had done 30 years' service, was dismissed because he was not in sympathy with the Socialists, and had refused—unless the town council gave definite orders by means of a resolution to that effect—to employ only trade union labour. Then, too, when the anti-Socialist party in the council introduced a pension scheme, to which the corporation *employés* were to contribute, it was rejected by the majority in favour of one which gave the *employés* a pension without requiring them to contribute anything at all. In one instance, at least, a sanitary inspector was granted what was practically a pension of £1 a week (on his breaking down in health), though he had been in the service of the corporation for only nine years.

Socialist Councillors and Scavenger Supporters.

As may readily be supposed, it was not long before most of the corporation *employés* had developed strong prejudices in favour of Socialism. And they were not backward, either, in testifying their gratitude towards those to whom they were indebted for the comfortable posts they occupied. This gratitude was shown by the scavengers, the dustmen, and the stablemen crowding the strangers' gallery of the council chamber, whenever council meetings were held, and there by their presence—and very often by their voice, as well—supporting their favourite members. At one time the council met at 3 in the afternoon, and the business was got through with tolerable promptness and despatch. When labour began to be represented the council arranged to meet at 5. When the Socialists got into power the meetings were fixed for 6 ; and from that time the agenda was rarely got through in a sitting, although the proceedings might last until a late hour at night. Thanks to the concession of the eight-hours day, the corporation *employés*, leaving off work at 4 in the afternoon or soon after, were able to occupy all the seats in the strangers' gallery of the council chamber long before any other workmen could come upon the scene. There were even suggestions of an understanding between them and the Socialist members that they should do so ; but, in any case, it was to this audience that the said members mostly addressed their speeches, and it was no unusual thing for the " strangers " to cheer or otherwise encourage the speakers they agreed with, and to hiss—and even to curse and swear—at those of whose utterances they disapproved. On one occasion, when 100 " strangers " were already crowded into a space which will seat only about 60, the Mayor ordered that no more should be admitted. A certain Socialist councillor

demanded that the others who wanted to come in should be allowed to stand in the gangways behind the chairs of the members of the council. The Mayor refused, and ordered that the door should be locked. The councillor thereupon went into the street, got a crowbar, burst open the door, and admitted his friends, who speedily swarmed into the council chamber. The councillor was afterwards prosecuted for causing wilful damage, and was fined 40s.

Under the Socialist *régime* the deliberations of the council assumed a character well suited to the calling and to the personal interests of the scavengers and the stablemen who formed the group of spectators. The proceedings were often of the most tumultuous character; but even when they were not noisy, a small matter of detail affecting the corporation *employés*, such as the dismissal of a particular individual, a rise of half-a-crown a week in a man's wages, or the giving of a pension, would be discussed hour after hour, or at meeting after meeting, while questions involving a great outlay would attract scarcely any notice at all. There was, for instance, the famous example of the proposed public baths in the Romford-road. As passed by the council the plans were to involve an expenditure of £27,500, including some shops, to which, however, the Local Government Board objected; but later on it was found that, without further debating the matter, the council had sanctioned an outlay of £60,000 on the baths in question, without any shops. Not a single member of the Baths Committee had known of the increase, and the only conclusion to be formed was that it had been voted at the fag-end of some disorderly meeting when everybody was too tired or too excited to take notice of what was being done. When the discovery was made as to the voting of the £60,000 the whole scheme was deferred; but the vote itself was characteristic of the absolute recklessness of the Socialist majority in regard to the spending of public money. One active member, when taking part in a discussion as to how the very large sums were to be raised for carrying out the costly schemes decided on, at a time when money was at its dearest, declared, "As for me, I would advocate that we go on with our schemes whatever the money cost." Another, whose attention was called to the fact that during the course of one of the usual turbulent scenes the council had passed a vote involving the expenditure of £90,000, answered, "We don't care if it was 90 millions."

The Socialists, too, were as remorseless in their treatment of persons as they were in their treatment of finance. One member of the council was known to be a very earnest Christian who devoted much time to evangelistic work, and another was a Quaker. Whenever either of them spoke in the council the Socialists, among whom there was a pronounced tone of atheism, would give utterance to derisive cries of "Amen," and make various profane interruptions, scoffing at religion. When Mr. Gladstone died, and it was proposed in the council chamber to send a vote of condolence to the family, the Socialists absented themselves. They had less decency on the occasion of the death of Queen Victoria, for when a vote of sympathy with the Royal Family was then proposed one of the party openly declared that her late Majesty was "a bally old woman," that she and the other members of the royal family were "paupers," and that the Socialists were not going to support the vote. Happily the waverers they had captured still retained a sufficient degree of respect for the institutions of the country to vote for the motion, which was accordingly carried.

The Beginning of the End.

There were other things as well which tended to bring discredit on the Socialists, and especially an incident connected with the free libraries. One of the most rabid of the party proposed that the *Freethinker* should lie on the tables of the free libraries among the other journals, and the resolution was carried. The long-suffering ratepayers had borne the extravagant expenditure with tolerable patience, but this direct attack on religion—for as such it was regarded—was resented. Church-people, Dissenters, and Roman Catholics were up in arms at once, and a deputation waited upon the council to protest against the resolution. Included in the deputation was a Roman Catholic priest, who made a powerful speech. Included in the Socialist majority were two Roman Catholics upon whom that speech seemed to have a strong effect, for they left their party, the paper was withdrawn from the libraries, and the downfall of the Socialist *régime* set in. Once more, the public conscience was shocked when in the elections of November, 1900, a handbill was circulated by an ardent supporter of one of the retiring Socialist candidates on which it was said:—"If you vote for the Municipal Alliance you vote against God. . . . If Christ were in Plaistow Ward Christ would vote for Coe." Mr. Coe was not re-elected.

Then there were divisions in the party itself. The fact has been mentioned that when the three years' agreement was signed, to the effect that all would vote in accordance with the decision of the private meeting, each member of the majority also signed his resignation, which was to be handed in should he be disloyal to the agreement. When one of the most noted of the party showed this disloyalty by a vote he gave his colleagues sent in the resignation he had signed, and with it a guinea for the fine a councillor should pay on account of such resignation. They thought he would respect his own signature and retire, but at the next meeting of the council he ridiculed the whole thing, declaring that he had not sent in the resignation himself, and did not intend to resign. The council upheld him, and the only result of the incident was that the other Socialists lost their guinea. Another member of the majority who broke away at the end of a year afterwards declared that he had been "a perfect slave" to them while he was in their ranks.

Meanwhile the effect of municipal extravagance on the local expenditure had been most striking. The average increase of £13,000 the year in the pre-Socialist period went up a further £30,000 the year when the Socialists were in power, and loans were raised and obligations incurred which might well have made even the most unreflecting of burgesses pause. The theory of the Socialists was, of course, that the financial burden would fall on the "capitalists," and that the "people"—

for whom, as they said, life was to be made "as endurable and enjoyable as possible"—were to have all the advantages. Local government was to be carried on in a way regardless of expense, and under the compounding system the vast majority of the electors were not to realize that there were such things as rates at all. One member of the Socialist party publicly declared that it did not matter to the working men of the borough how high the rates were. But the "people" got to see in course of time that there were drawbacks, even for them, in unrestricted Socialism. They found that, because of the increased rates, house rents were going up 12½ to 20 per cent., notwithstanding the threats of the Socialists that every landlord who raised his rents should have his assessments increased. They found that employers of labour began to talk of doing with fewer hands, of putting down more, and still more labour-saving machinery, of paying lower wages, and even of removing from the borough altogether. They found that the corporation *employés* (who numbered from 1,300 to 1,400) were getting 20 per cent. over trade union rates for an eight-hours day in which they did practically as little as they pleased, while workmen not in municipal employment were expected to put in a full day's work for an ordinary wage, and to help, through higher rents, to confer a variety of advantages on an essentially privileged class. At first the men employed in the factories and workshops thought they ought to have from their own employers conditions of labour similar to those conceded to the corporation *employés*. One day a corporation servant overheard the foreman of a large works complain to a workman that he was late, and insist on his keeping proper time. Thereupon he called out to the foreman, "If you were under the council you would get the sack." The standard of work set by the municipal *employés* showed, indeed, a tendency to lower the standard of work throughout the district; and it thus brought about distinctly demoralizing influences in local industries. So trouble arose in various directions, until it began to be seen by the most intelligent of the workmen that the persons at fault were not their own employers but the Socialists who ruled the town council.

The Awakening of Common Sense.

In July, 1899, the Municipal Alliance was formed. There had already been a Ratepayers' Association in West Ham, and there was also a West Ham Chamber of Commerce, which, set up in 1893, had done good work in organizing resistance to various ill-advised schemes. The Alliance now brought all the advocates of local reform into a body whose main object was to break down the power of the Socialists and bring about a reign of efficiency and economy instead. At that time the Socialist party on the town council (including the "Labour" members and the "waverers" who voted with them) consisted of 30 members, while their opponents numbered only 18. The Alliance won a number of seats at the elections of 1899. But the Socialists retained their majority; and in 1900 they resolved to promote a Bill in regard to various public works, the total cost of which was put down at £2,596,074. Of this no less than £1,675,000 was for the provision of 3,000 municipal dwellings for workmen, and £130,000 for the building of some municipal lodging-houses. As the 27 dwellings already provided by the corporation in Bethell-avenue represented a loss to the borough of £100 a year, local statisticians began to calculate what the loss on 3,000 at the same rate would be. It was further evident that the chief aim of the Socialist majority in regard to their housing scheme was to win more of the electors over to the Socialist party. Of this there was absolutely no room for doubt in the case of West Ham. Even the working-class voters rose in revolt, and when these two proposals—dwellings and lodging-houses—among others, were made the subject of a poll of the burgesses, both of them were rejected. So, also, was a proposal to increase the free library rate to 2d. in the pound, the two central libraries which had been set up costing more to maintain than the penny rate would produce. The Alliance gained further successes at the polls in the elections of 1900, and the balance of parties on the council was then left practically equal. The Socialists were, therefore, still able to exercise considerable influence. But they lost several seats at by-elections, while the elections in November, 1901, left them with only 14 representatives as against 28 successful Alliance candidates, and six independents, of whom four were returned through the influence of the Alliance, while all six vote with that party.

So the rule of Socialism in West Ham was effectually overthrown, though the legacy of municipal obligations which still remains is a matter of grave concern from the point of view of the finances of the borough. The sum total of the rates, which stood at 6s. in the pound in 1890 and at 8s. 1d. in 1896, rose to 8s. 10½d. in the pound in 1900 and 9s. 5½d. in the pound in 1901. From that figure it advanced to 9s. 8d. in the pound, and it now stands at 10s. 8d. in the pound. A good portion of this amount is due to School Board and other purposes outside the control of the town council, the West Ham School Board rate being exceptionally heavy; but it is significant that the council's own rates should have increased from 2s. 7d. in the pound in 1890 to 4s. 0½d. in 1900 and 4s. 8½d. in 1901.

Of the expenditure during the year ended March, 1901, no less than £110,261 was for wages to corporation workmen, apart from salaries to the staff; and of this £110,000 a sum of £32,000 was for sundry special and jobbing works done by the works department, while £287 is put down to "holidays account—special."

Effect on Industries.

That the burden of the extravagant expenditure and the abnormally heavy rates has told seriously on the local industries will be readily understood—the more so if the fact already stated be borne in mind, that out of 45,000 assessments in this borough of 275,000 inhabitants there are only 10,000 where the rateable value is over £20. Not only have the rates been heavy, but, in accordance with their fixed purpose of benefiting the employed at the expense of the employers, the Socialists were constantly crying out that the assessments of the works and factories were not high enough. So the assessments were

raised on the slightest possible pretence, and any improvement of old works in order to meet new requirements or to give employment to more men, and any fresh bit of machinery introduced—if not, indeed, any fresh tool—was penalized by an increase in the assessment. The employers have thus been trebly handicapped by the heavy rates, by the increasing assessments, and by the impediments thrown in the way of expanding their concerns.

Of the positive harm done to the district striking examples are told. Among the manufactories at West Ham there is one the products of which are largely consumed in England, though the greater part are exported. The total rates and taxes in these works amount to £2,240. The same firm have a manufactory on one of the great navigable waterways on the Continent. The works there, comprising freehold, plant, and machinery, are valued at rather more than a fourth of the total given for the West Ham works, and the sum total of rates and taxes, Government and local, is only £56 a year. In addition to this, wages and railway rates are considerably lower there than at West Ham. At one time the firm brought a certain proportion of their raw products to West Ham from various parts of the Continent, worked them up there, and then sent back the finished article. But the burden of rates and taxes is so great at West Ham, and the competition with foreign manufacturers working under better conditions than those in England is so keen, that the firm are forced to do all they can at their foreign manufactory, where they are constantly increasing their works, while they do not put down even any additional machinery at West Ham unless they are compelled so to do, knowing, as they do, that the local authorities would at once raise the assessments.

Not long ago another firm, engaged in an enterprise affording scope for the employment of 200 or 300 hands, thought of starting a factory at West Ham, but they could not face the local rates, and in the interests of economy they went to the Continent instead. Other instances might be given showing how further industries, though remaining in the country, are being forced to leave West Ham in favour of some other district. The works of one of the oldest firms in West Ham, employing from 300 to 400 men, are in course of removal to Ilford. They occupy a site where expansion is impossible, and every bit of labour-saving machinery put down in the interests of an economy of space is at once rated, so that the firm pay far more in rates than they do in rent, and they are practically taxed not only on their advantages, but also on their disadvantages. Thus a point is reached where it is found better to abandon the old works altogether and start afresh with new premises and up-to-date appliances, in some other less heavily rated district. So West Ham loses an important industry which has been carried on there for over 100 years.

But the greatest blow of all for West Ham would be the removal of the Great Eastern Railway Company's locomotive and carriage works—which are assessed at about £100,000, and, as mentioned already, employ some 5,000 hands—from Stratford to some point on the company's system in the eastern counties. This proposal has been discussed from time to time; and it is pointed out that though the cost of removal would be great it would possibly be compensated for not only by the saving in rates and taxes, but also in wages, since these would be paid on the country scale instead of the London scale, as at present.

THE SOCIALIST LEGACY OF OBLIGATIONS.

As for the undertakings to which the Socialists have committed the borough, the most important is the municipalization of the tramways. This will involve an expenditure of £700,000 for taking over the present plant, extending it, adopting electric traction, and carrying out extensive street widenings. The scheme has the approval of many persons who are otherwise not at all favourable to the Socialists; but it is admitted that only with the most careful and the most efficient management can so costly an undertaking be made to pay. Then there is an item of £266,000 to which the successors of the Socialist majority find themselves more or less committed in respect to artisans' dwellings, this being apart from the million-and-a-half scheme which, as already stated, the burgesses refused to sanction. The corporation are virtually committed, also, to the Romford-road Baths, £5,000 having been spent on the site, and another £1,000 for architect's fees, &c.; but inasmuch as the Plaistow Baths, which cost £25,000 to build (without reckoning land), are run at a loss to the borough of £1,700 a year—or nearly a half-penny rate—there is a natural reluctance to spend £60,000, or anything like £60,000, on baths for Stratford, which would probably involve a heavier loss still. Other items in the Socialist legacy of obligations are:—£60,000 for town-hall extensions, £67,000 for fire brigade stations and dwellings, £27,000 for recreation grounds, £16,500 for street improvements, £16,000 for stabling, and other sums besides, making a total of over £1,200,000, in addition to the £700,000 for tramways, or a grand total of £1,900,000.

The present majority on the council at West Ham are pledged to economy and common sense. They have abolished the May Day holiday to corporation servants, to whom they are proposing to pay only such wage as they really earn; they have stopped the free indoor concerts; and they have postponed, if not abandoned, a number of the schemes which the Socialists had resolved to carry out. By many, however, it is calculated that it will take the borough at least ten years to recover from the financial condition into which it has fallen as the result of three years of Socialist excesses, and that the rates will have to go up to at least 12s. in the pound before they begin to fall.

IX.

(THE TIMES, SEPTEMBER 18, 1902.)

"A MUNICIPAL MECCA."

The Metropolitan borough of Battersea, which is particularly associated with the municipal activity of Mr. John Burns, and of the Labour party, has become known as "The Municipal Mecca." Representatives of municipal enterprise look

to Battersea for inspiration, since Battersea—to quote the words of a book of reference—has "utilized all permissible means to secure municipal efficiency"; and representatives of the masses make pilgrimages to Battersea with the view, not of studying "municipal efficiency," but of getting nice, soft, and comfortable municipal jobs. So Battersea may fairly consider that the eyes of the country are fixed upon her more or less, and her efforts to secure the aforesaid municipal efficiency are well deserving of some degree of attention.

Democracy is supreme at Battersea, just as it is at West Ham. But there is this difference between the two places; the predominant partner at West Ham is Socialism, at Battersea, Labour. The almost unique opportunity afforded to Socialism at West Ham to show what it could do in the way of municipal government, when it had unrestricted power, is well matched by the chance in the same direction given to Labour at Battersea; and it is not too much to say that the failure in the one case has been no less complete and no less lamentable than the failure in the other. Battersea is essentially a working-class borough, with a population of 169,000 and a present rateable value of £1,012,000. There are large works employing anything up to 1,000 men each, there are handsome shops in some of the main thoroughfares, and there is a certain proportion of professional or well-to-do residents; but the vast majority of the population consists of artisans and labourers, who can thus control the voting at the municipal and other elections. The real wirepullers on the side of Labour at these elections are the officers and members of the local Trades and Labour Council. Socialist views are entertained, and the government of the borough is in strict accord with the most advanced type of municipal socialism; but the Socialist party, as such, is somewhat discredited at Poplar, where Labour prefers to work along its own lines. And those lines, too, are very clearly defined. When the municipal elections are coming off, the Trades and Labour Council, representing the different trade unions in the borough, will make up a list of candidates which becomes known as the "ticket"; and according to that "ticket" every one who owes allegiance to the party is directed to vote. A candidate's chief qualification for the favour of the Trades and Labour Council is that he should be popular with his fellow-workmen, or should have attracted favourable attention in some way. Social standing does not count, and persons in absolutely the humblest position in life are among those who are selected from time to time. In one instance a man employed on the railway to grease the axles of railway carriages was nominated, and, as some hundreds of his mates on the railway lived in the ward for which he stood, there was no difficulty in securing his return. Another member of the council is a plasterer, and there are also two masons. On one occasion two men were elected, and soon after they took their seats something happened which is almost incredible, though it is absolutely true. These two men were offered by their fellow labour members positions as road-sweepers at 27s. a week, and they accepted the posts. Either they were out of work or they saw no chance of getting anything else as good as this. In any case they became scavengers for the very body of which they were members. Objections were naturally made, and the men were told that the thing was illegal and that they would have to give up either their membership or their situations. They made their choice in favour of the jobs they had got, and were perfectly content to resign their membership.

Working on the lines stated, the Labour party at Battersea has had no difficulty in securing and maintaining a solid majority on the borough council, or the vestry, as it was called down to November, 1900. It is not suggested that this majority has always been composed of men who, as has been said, "don't understand the value of anything over a sovereign." There is a leaven of intelligent and capable men of the schoolmaster type who, whatever their democratic leanings, understand figures, possess capacity, and try to keep the labourers, the plasterers, and the railway carriage wheel greasers from doing too much harm. But the general policy of the majority is as clearly defined as is that of the body which elects them. The members forming the Labour group have a secret conclave before the holding of each council meeting, they discuss the agenda, they decide on what action they will take in regard to each item, and it is an understood thing that they will keep to that decision, all voting the same way, whatever arguments may be advanced to the contrary by the other side when the subject is debated in the full council.

Thus the Labour party, possessing a two-thirds majority, can control alike the constitution and the operations of the borough council; and it must be confessed that in Battersea the whole functions of local government seem to be worked mainly in the direct interests of labour. As already shown, there are manifold duties which the borough or county councillor of to-day is expected to undertake; but the great aim of a labour member on the Battersea Borough Council is to find easy and well-paid municipal employment for as many as possible of those who elect him.

The achievement of this object has been mainly brought about by the starting of the Battersea Works Department. Set up in March, 1898, it was inspired by the Works Department of the London County Council, but it has far surpassed its prototype in costliness and in its adoption of "go easy" principles. The London County Council bricklayer who lays his 330 bricks a day is a hardworking man compared with an average *employé* in the Battersea Works Department. A carpenter who had obtained employment under the borough council was met soon afterwards by a gentleman who knew him. Noticing that he was not in his working clothes, the gentleman stopped him and made inquiries. "I am looking for another job," was the reply. "If I remain with the borough council I shall get into bad ways and lose my character as a workman.

I was put on with another man to do some matchboarding inside the roof of a room. We did it comfortably in two days, but there was a tremendous row over it because two other men on a similar job had taken nearly a fortnight." A chalet was built in York-road by the municipal *employés*, and the work progressed so slowly that it was a standing joke among the residents that "they could see the place grow," and that "it took five men to drive in a nail." Private builders think that £600 would have been a reasonable sum to allow for putting up such a structure. The one in question cost the borough £1,700. Not only so, but, now that it is up, the question is being seriously discussed whether it should not be pulled down. It almost looks as if at Battersea, whenever there is a scarcity of work for the municipal *employés*, the fiat goes forth, "Let them build another chalet." In any case the one in York-road is so little needed that it costs £10 a week in attendants' fees over and above the revenue it brings in, while on the spot where it stands it constitutes a really dangerous obstruction to the street traffic. The case of the Albert-bridge-road sewer is still more notorious than the York-road chalet; for the way in which the work was done there became such a scandal that Mr. John Burns himself went to the men and gave them, with characteristic vigour, "a bit of his mind," telling them, among other things (according to report) that "it took ten of them to do the work of one." Then there was some new fencing that was being put up at the municipal cemetery at Morden. A certain member of the council thought the work was progressing slowly and costing an unconscionable amount, and he paid a surprise visit to the place in working hours. He found most of the men engaged in playing cards on the tombstones. On another occasion, while the same job was on, an official of the council found that the foreman and his 14 subordinates were drinking in a publichouse two miles from the cemetery, and he learned that they had been there some hours. He suspended them; but they were subsequently all reinstated by a superior official, anxious to keep on good terms with the Labour party. Thereupon the other official resigned, not caring to be any longer connected with a public body where such things could be tolerated. On still another occasion when a foreman lodged a complaint against those who were working under him he was told that "if he could not get on with the men he had better go," and he was accordingly discharged.

Local government at Battersea is, in fact, carried on far more in the interests of the municipal *employés* than in those of the general body of the ratepayers. Not only is it regarded as the special prerogative and function of the Labour member to find work for his friends and electoral supporters, but he himself cheerfully accepts the task because it is by increasing the volume of municipal work, and by ensuring for the workers the best possible conditions, that he makes certain of getting their votes when the time comes round for him to seek re-election.

Such statements as these are so suggestive of jobbery and corruption that, at first, one hesitates to repeat them; but they are made freely enough by those who have personal knowledge of what goes on behind the scenes at Battersea, and an abundance of evidence is available to support them. There is a certain kind of stone work which ought to be done at the quarries before the stone is delivered to the authority using it; but at Battersea the stone is delivered in the rough, and the work in question is done in the borough, the stone thus costing 50 per cent. more than it would otherwise cost. The increased cost, however, is regarded as of no account compared with the fact that jobs are found for so many more men in the borough. An ordinary contractor will pay one man 25s. a week for "watching" a building in course of erection, the man getting a certain amount of sleep while on duty. At Battersea no municipal *employé* works more than 48 hours a week, so that relays of watchmen are employed, and the cost comes to £3 8s. a week. Not long ago there was some "Victoria" paving to be done on St. John's-hill, and the materials were taken there in readiness for the work, which could very well have been done by four men in two days, at a cost of £5. But it was three weeks before a start was made with the job, and in the meantime the materials were "watched" night and day at a cost to the borough on this account alone of over £10, or more than double the amount that should have been spent had the work been done straight off. Then in one particular department there are some duties which, a year or two ago, one man performed with no great effort in return for a wage of £2 2s. a week. The work has in no way increased since then, but there are now three men regularly employed on it, at a cost to the borough of £6 6s. a week.

But these illustrations of the way in which representatives of local government at Battersea find comfortable employment for friends and supporters sink into insignificance compared with the scandal of the Nine Elms Baths. These baths, opened in April, 1901, have cost the borough £56,000. Erected in a very poor district at the extreme end of the borough, they have been so little appreciated that the swimming bath, the slipper baths, and the laundry provided are one and all a complete failure. To make the baths more popular the Baths and Washhouses Committee, stocked one of the rooms with newspapers, periodicals, &c., placing it in charge of a lady attendant; but it was pointed out that the expenditure incurred was illegal, inasmuch as a reading room was "not a necessary adjunct to a public bath," and the room was closed. The only theory by which the construction of the baths at all on such a scale and in such a locality can be accounted for is that the Labour party wanted to find still more work for the electorate. There were already public baths in Latchmere-road, only one mile from the site chosen for those at Nine Elms. Erected in 1889, they had cost £21,700, and were, therefore, more unpretending than those now decided on; but they were rarely full, except on Sunday mornings, and the residents of Nine Elms could very well have walked a mile to get to them had they really wanted a bath or a swim. But, according to those who can speak with some degree of authority, the erection of the new baths was regarded as an excellent bid for the working-class vote in the district concerned, both by putting work in the hands of the local electors and by showing "municipal enterprise," and so it was resolved on.

If the reasons for undertaking the business at all were suggestive of scandal, no less so were the circumstances in which it was carried through. The Works Committee consisted to the extent of two-thirds or so of trade union secretaries. The Carpenters', the Bricklayers', the Stone Masons', the Plumbers', the Smiths', and the Labourers' Unions all had their secretaries on this one committee, and it was these individuals who had the chief voice in deciding on the plans and in supervising the work. So little competent were they to judge of the former that they accepted a set of drawings which were wholly unsuited for the purpose and had been prepared in such a way that much of the work had to be done over again, the cost of the building being very considerably increased in consequence. Then there was constant interference by the members of the committee, with the idea, apparently, either of securing employment on the job for their friends or of ensuring the strictest regard for trade union conditions. It was an understood thing that only "society" men should be employed, and when, on one occasion, the committee discovered that there was a non-unionist working as deputy foreman they first brought all kinds of unreasonable complaints against him, and finally gave direct orders that he must be discharged—for no other reason than that he was not a member of a trade union. To ingratiate themselves further into the favour of the *employés*, the Works Committee arranged that each of them should be allowed a day's holiday, with a day's pay, for every two months of satisfactory service.

Battersea has also been supplied with a municipal electric lighting and electric power installation by direct labour, the work being done at the same time as the baths. It cost the borough £150,000; but scarcely any of the private householders, and only a small proportion of the shopkeepers, will take the light, while the manufacturers say they do not want the electric power because it would cost them too much. With the view of securing a greater degree of patronage for both light and power the terms have recently been reduced; but there is no possible hope that the electrical department will be a commercial success.

In connexion with this question of direct labour at Battersea there is some interesting reading in an article on "Social Democracy and Ethics," contributed, in 1900, to *Socialen Praxis* by Dr. F. W. Förster. A translation of the article and some controversy thereon will be found in the *Social Democrat* for December, 1900, and February, 1901. Dr. Förster had met and had a conversation with Mr. William Sanders, secretary of the Battersea Labour League, and a Socialist, who had, he says, been "for ten years the right-hand man of John Burns." For that period, he states, Mr. Sanders had laboured along with Mr. Burns to secure for the workers an effective representation in the local government, and he proceeds :—

> The work of both men was crowned with success. The worker in Battersea has, even down to the street scavenger, a decent wage. The working-class have a decisive influence on the municipal government. . . . More and more the municipalities are getting used to employing direct labour wherever possible, without calling in the contractor. So much more incomprehensible must it be that Sanders gave up his previous position and went over to the ethical movement to devote his time and energies to that. When I asked him what were the grounds for his step, he answered me more or less as follows :—
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> "I joined your movement because it became clearer to me every day that the workers, the more they acquired power, were confronted with such serious moral temptations, and such a tremendous political task, that in itself a mere appeal to class-consciousness or to material advantages is proved to be an absolutely insufficient basis for a real agitation. . . . .
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> "As, at the end of the eighties, the great industrial crisis broke over England, Burns and I believed that the contrast between rich and poor would become more striking, and that the inauguration of Socialism was imminent. We made it our duty to prepare to introduce the new society through the socialization of municipal corporations. . . . The problem of democracy is much more difficult and complicated than we had first imagined it. You know that it is England's pride that in our administration the corruption of American administration has not yet found entry. . . . To our horror we have, nevertheless, recently, in the first instance in our field of Battersea, had forced on our attention how in developing the governing power of the masses the beginnings of democratic corruption began to be apparent. The municipal *employés* seek to exploit their position as voters in order to gain from the public purse much higher wages than are laid down by the trade unions of the trades concerned, or than one would ask at any time from the best employers. The consequences would be that the combined taxpayers of the district would then be more heavily taxed to pay this extra wage. In a word, the community is regarded, to use the words of an influential Labour leader, as 'a lemon to squeeze.'"

That is to say, the Labour members first of all exploit the Labour electors, and then the Labour electors exploit the Labour members, and between the two we get—"the beginnings of democratic corruption." It may be a different kind of corruption from that which exists in the United States. There, in certain cities, the municipal candidates pay the electors so much for their votes, and recoup themselves at the expense of contractors and companies, who cannot hope to secure a contract or to get a vote carried in their favour unless they fee the councillors. In Battersea and other places like it the process is different. There the "consideration" takes the much safer form of municipal employment. For a candidate to offer an elector even a pot of beer at his own expense would be bribery; but to hand over to a group of electors an unnecessary job that will involve an outlay of £50,000, to be paid for by the ratepayers, goes by the name of "municipal efficiency."

There were other ways in which the rulers of Battersea sought to win the favour of the ruled in addition to giving them municipal employment. In February, 1900, free public indoor concerts were started by them at a cost of £650 a year to the rates, and the Latchmere-road Swimming Baths were, for the winter months, transformed into a municipal club for youths. There, in return for a payment of 1d. a night, or 4d. for a weekly ticket, lads could indulge in bagatelle, skittles, chess, draughts, and other games and attractions. Meanwhile the increase of rates, the expansion of the local debt, and the general conduct of local affairs began to cause considerable uneasiness on the part of the better class of the residents. A crisis was reached in the early part of 1900, when the quinquennial valuation of the borough increased the assessments by close on £106,000. Had these reassessments been fully maintained the Progressive party would have raised considerably more revenue at the cost of the lead-

ing ratepayers without the discredit of increasing the rates. But an indignation meeting was held, a Municipal Alliance was formed, and the assessments were appealed against, the total increases being eventually reduced to £60,000. It is quite true that a good deal of the revenue raised in Battersea is paid away to outside bodies, over whom the borough council has no control—the London School Board, the London County Council, the board of guardians, and so on. But the growth of Battersea's municipal debt can hardly be regarded with equanimity by those who are interested in her welfare. In 1865 it stood at £25,000; in 1892 it was £78,532; in 1897 it was £128,000, and to-day it is over £500,000. Much of this debt has been incurred in respect of items which ought to have been met out of current account; but the facility with which loans can be raised by corporations is leading to all kinds of dubious practices. Thus the Battersea authorities have been known to raise £1,000 on loan in order to pay for some horses. When, too, their treasury has run low, and they could not wait until the rate-collectors had replenished it, they have not hesitated to apply to general administrative purposes the loans raised for specific objects. So it is that the municipal debt has been piled up, and for the payment of interest on loans the ratepayers have to provide close on £40,000 a year, which in itself is equal to a rate of 10d. in the pound. In 12 years, too, the sum total of the rates at Battersea has gone up from 5s. 8d. in the pound to 8s. The most strenuous efforts have been made by the party now in power to avoid the discredit of a further increase in the rates; but in some quarters it is affirmed that next year they will be obliged to put on another 1s. 6d. in the pound, at least, if the borough is to pay its way.

The position is the more serious because in Battersea the familiar excuse that the local debt is due mainly to remunerative works, and that all will come right in the end, is really not a bit of good. Municipal assets at Battersea scarcely count at all. Under the labour conditions described above the "remunerative works" have been so handicapped with cost that it is hopeless to expect them to pay. It is certain that the electricity works will yield no real profit; the two municipal cemeteries involve a loss of £3,760 a year; the Latchmere-road baths are managed at a loss of nearly £4,000 a year, and the Nine Elms baths will be a greater loss still. The one great success achieved has been in transferring money from the pockets of the ratepayers to those of the municipal *employés*. Even the Employés' Sick and Accident Fund, established by the Corporation, has been a loss to the borough of over £3,000 a year, that being the amount paid to the men out of the public purse over and above the sum which they themselves contribute. This fact would suggest that, in spite of the small amount of work they do, the municipal *employés* at Battersea must suffer a good deal from sickness.

The ratepayers, in their turn, have been feeling "very sick." They did not approve of that little matter of the assessments, which looked too much like trying to get money out of them under false pretences. They did not see why they should go on paying large sums as wages to a privileged class of municipal *employés* whose dilatory methods of work were scoffed at all through the borough. They grew uneasy, too, as they thought of the steady growth of the local burdens. So they took to joining the Municipal Alliance, and that body began to make its influence felt. Among other things it helped to bring about the discontinuance of the free public concerts. It also threatened to go to the London County Council and oppose the new loans for which the borough council proposed to apply. To avoid this the council looked around to see where they could retrench. Just before the municipal elections of 1901 they increased the wages of the scavengers from 27s. to 30s. a week, but in view of the necessity to cut down expenses they now reduced the number of *employés*. A saving was also effected by taking £2,300 off the estimates of the Highway Committee, and £500 off those of the Health Committee. To spend large sums on electric lighting which does not pay, or on baths which the people do not want, and then to economize on the highways and the public health, is a form of thrift that is decidedly open to criticism. The Alliance party protested most vigorously against a reduction of expenditure on measures necessary for the public health, but they protested in vain.

Up to the present the Labour party have managed to retain their majority on the council, in spite of some noteworthy successes by the Municipal Alliance. But the bursting of the Battersea bubble is regarded as only a matter of time; and if the Alliance receives from all classes of the ratepayers the degree of support it deserves it should be able to secure, before long, the return to the council of such a majority as will start an era of real and not merely of bogus "efficiency" in the administration of the affairs of so large and so populous a borough.

X.

(THE TIMES, SEPTEMBER 22, 1902.)

A TRIUMPH OF DEMOCRACY.

The fact that the metropolitan borough of Poplar, comprising the parishes of Bow, Bromley, and Poplar, and possessing a population of about 170,000, is ruled over by a "Labour Mayor" constitutes one of the triumphs of British democracy. Within the boundaries of Poplar are the East and West India Docks, the Millwall Docks, and some of the largest and most important industrial undertakings to be found in any one district in or around London. The Mayor of Poplar is known as "Will Crooks," and is a cooper by trade, the occupant of a house which was rated only a few years ago, if it is not so still, at £11 a year. Mr. Crooks is a man who has made a very praiseworthy stand against adverse circumstances, and he has had a career which in many respects is most commendable. Hard work, pluck, and indomitable perseverance have helped him to push to the front, and his good qualities well deserve recognition. Yet

one cannot but ask whether it is consistent with the best interests either of the borough or of local government in general that the direction of public affairs in so important a community should have been allowed to drift so thoroughly under the control of Labour and Socialist influences as would appear to be the case at Poplar.

Among those who, as members of the borough council, help Mr. Crooks to direct the local affairs of Poplar are a labourer at an iron foundry, who is reputed to get a wage of £1 per week; another labourer, employed at a chemical works, who is understood to receive a similar wage; a man who began life as a bricklayer's labourer and then became a gas stoker; and another who is a bricklayer, and occupies one-half of a house the total rental of which would probably be not more than 9s. a week. There are others, besides, of the same type; while on the Board of Guardians Labour is even more strongly represented than it is on the borough council. So democracy has triumphed at Poplar. But it has done so less because of any overwhelming numerical strength on its own part than because the ordinary middle-class elector is too apathetic to go to the trouble to record his vote in the local elections.

A few years ago there was drawn up a list giving the names and occupations of the members of the Poplar Board of Guardians, together with the amount at which they were rated and the way their rates were paid, the idea being to show the social standing of the individuals by whom the local affairs of Poplar are administered. The list was a most instructive one; and, although some changes in the constitution of the board have been made since then, it is still approximately representative of the *status* of the general body of the members. For present purposes it will be enough to give the list without the names; but special attention may, perhaps, be called to the worldly position of those who formed the Assessment Committee.

Occupation.	Rated at	Rates paid by
*Cooper...	£11	Landlord
*Greengrocer	42	—
*Physician	65	—
Physician	41	—
*Confectioner...	55	—
*Jobbing Builder	15	—
Fireman	34	—
*Baker	49	—
*Stationer	30	—
Physician	61	—
Caretaker	60	L.C.C.
*Colour Merchant	28	—
*Polisher	16	Landlord
——	21	Landlord
Rector of Bow	55	—
,, Bromley	114	—
*Undertaker	24	—
Carpenter	19	—
Gas Stoker	10	Landlord
*Sec. Trade Union	21	Landlord
Licensed Victualler	165	—
Gasman	15	Landlord
Licensed Victualler	160	—
*Clerk in Holy Orders	28	—

*Assessment Committee.

Of the members of the present board sixteen are rated at £30 a year or under (viz., two each at £11, £13, £17, and £19, one each at £9, £10, £14, £15, £20, £28, and £30, while one comes under the head of "service"), and of those over £30 there are two at £34, and one each at £39, £40, £50, £64, £67, and £74.

The selection of Labour candidates for local governing bodies at Poplar is made by the trade unions, which send round word as to the persons to be voted for; and it is even represented in some quarters that special election funds are raised by weekly contributions so that the candidates may have sufficient posters and cards placed at their disposal when the election time arrives. These contributions are paid the more readily because they assume the character of invested capital. The Labour candidate's appeal to the Poplar constituency is, indeed, essentially of a practical nature. He meets the said constituency at the dock gates on Sunday morning, or at street corners during the week, and he says:—"You elect me and I will help to find you work. We are going to spend the money on giving you employment, and we don't care how the rates go up." So, while the better-class voter will not turn out even if a brougham is sent for him, the working-class voter trudges on foot to the polling booth, returns his man, and then awaits developments in the form of municipal employment.

Direct labour was introduced into Poplar by the Board of Works which acted for the three parishes before their formation into the present borough in 1900; and how things went on in those days is shown by the following extract from the *East End News* in its review of local history for the year 1896:—

> Labour events have come to the front with much prominence. At the Poplar Board of Works, for instance, the subject was one of continual recurrence, when some of the members made it their mission to champion the interests of the workmen almost to the exclusion of the other matters which should claim a greater share of their attention.

In the same paper for March 22, 1899, there is a reference to "members of the Board of Works who, in and out of season, advocate expenditure that the men whose votes are in a great measure responsible for giving them their opportunity may be found in employment"; and it is added:—"As the Board is at present constituted there can be no doubt that one section sit almost solely to promote the individual interests of the men." It may have been hoped there would be an improvement when the vestries and the Board of Works were succeeded by a borough council; but the position of affairs to-day in regard to municipal employment is practically the same as in 1896 and 1899.

It was, of course, through the usual resort to "direct labour" that the supporters of the Labour members got their chief reward; and more considerate employers no body of men could have wished for. There was just one essential preliminary. Inasmuch as the Labour members were trade unionists, returned by trade unions, it was an understood thing that every man taken on must produce a trade union ticket. If he did that he had no further trouble, and he could look forward to having good wages for doing as little work as he pleased. Poplar

was the first district in the country to raise the wages of dustmen, roadmen, and others to 30s. per week after two years' service. This it did in November, 1899. As for the amount of work done, if any foreman dared to find fault with a municipal *employé* he ran the risk both of being summoned before the officials of his union and of being rebuked, and even discharged, by the members of the committee under which he worked. The actual number of men employed by the borough council ranges from 600 to 700. Whether carried out by direct labour or by private contractors, there was an abundance of public work provided in one form or another for artisan or labouring class electors, and it seemed as though the local authorities really did not care how the rates might go up. An electric lighting installation was laid down for Poplar by the old Board of Works at a cost of £200,000. Very few customers have been found for it among either private residents or shopkeepers, and the lighting of the streets is not a complete success, inasmuch as the light has been known to go out suddenly at 10 o'clock in the evening, and leave the borough in darkness. The ratepayers have not yet felt the financial burden, for the loan was borrowed on the understanding that payment of principal and interest would not begin for three years. But the three years' grace will expire in 1903, when the residents of Poplar may expect to find another shilling added to the rates.

The question of public baths is also worth mentioning. In 1898 it was thought there should be some baths provided for the Isle of Dogs, which forms the most southern portion of the parish of Poplar. There were baths already in the East India-road, where they were built in 1852 at a cost of £11,255 ; but these were a mile and a quarter away from the Isle of Dogs, and a little difficult of access at times because of the necessity to cross certain bridges in the docks. In fact, at the Local Government Board inquiry, Mr. Crooks told the inspector that "people would not undertake the journey, and so they went to bed dirty year in and year out." One would assume from this that their anxiety for a bath could not have been very great if they would not walk a mile and a quarter to get it ; and so it has proved ; for, though the desired baths have now been constructed on the Isle of Dogs, at a cost of £11,000, very little use is made of them. The boys of the district prefer to bathe in the Thames in the hot weather, when alone they care to bathe at all, while their elders are still, apparently, reluctant to "undertake the journey," though the baths are now at their very doors. All the same, the Labour party have done something for their friends in the south of the borough ; and, as it is the dock owners and the manufacturers who find most of the money, the waste of a mere trifle of £11,000 does not matter very much—from the Labour point of view. It may be added that on the north of the borough there are the Bow baths, which cost £42,000, and are run at a net loss of over £1,000 a year.

For further information as to the way in which the ratepayers' money goes at Poplar we may turn to the administration of the Poor Law. Mention has already been made of the fact that the Socialist-Labour party are an even stronger force on the Poplar Board of Guardians than they are on the Poplar Borough Council ; and they are quite as keen there to do what they can for their friends outside. In no parish in the country, probably, is pauperism the subject of more fostering care than in Poplar. What sort of a place the Poplar workhouse is may be judged from the fact that it is known locally as the "Poplar Palace." The children have hitherto been cared for in some good schools at West Ham, but fresh schools are being put up for them at Shenfield, Essex, at a cost of over £200,000. There they will have swimming baths, gymnasium, farm, and other attractions of which even an ordinary first-class boarding school could not boast, so that the children of the poor will be far better off than the children of most of the ratepayers who will bear the cost. In the matter of out-relief the same degree of consideration for the recipients is shown. On the borough council the Labour member secures the good opinion of his friends and supporters by promising them work. On the board of guardians the procedure is to promise to them or to their relatives out-relief. And not only is out-relief at Poplar fairly generous in amount, but ratepayers who are lacking in generosity complain that it is too often continued when the necessity for it has passed. In the *Social Democrat* for January, 1900, there is a sketch of one of the leading members of the Poplar Board of Guardians, described as "chief among the band of Social Democrats who keep the red flag flying" in the Bow and Bromley district. He is credited with having, since he became a guardian of the poor, effected reforms in the dietary—speaking on one occasion for four hours when the other members wanted to defeat him—and with having been instrumental in raising the scale of out-door relief from 1s. 6d. a week to sums ranging from a *minimum* of 2s. 6d. a week to a *maximum* of 6s. a week. The *maximum* now stands at 7s. a week. Then, in regard to casuals, the Socialist party on the board held that it was "humiliating" for a tramp to be called upon to do any stone-breaking or oakum-picking in return for a night's lodging ; and it was decided that in future casuals should have their supper, bath, bed, and breakfast, and then be allowed to go on their way rejoicing, without doing anything whatever in return. So it comes about that Poplar has developed into a sort of paradise for paupers. The poor flock there from all parts of London, and so do the tramps. The average daily number of inmates in the Poplar Workhouse in 1892 was 874 ; now it is 1,372. The average cost of maintenance per head per week in 1892 was 3s. 7½d. ; now it is 5s. 6¼d. The expenditure on account of poor rate in 1891-2 was £54,000 ; in 1901-2 it was £118,046 ; while the sum total of the rates has increased from 6s. 7½d. in the pound in 1892 to 10s. in the pound at the present time.

As further showing how little regard there is for the ratepayers' interests at Poplar it may be mentioned that even when the guardians decided to provide the workhouse with electric light they could not take their supply from the Poplar Council, but must needs go to the expense of putting down an installation of their own.

There was one item of proposed expenditure, however, on which the local ratepayers, roused out of their condition of chronic apathy for this

special occasion, managed to set their foot. The income which, according to the *Labour Annual*, is allowed by the Poplar Labour League to Mr. Crooks is currently reported to be about £3 a week. It may be, and ought to be, very much more, considering the great amount of work he gets through; but, whatever the exact allowance, it seems to have been thought insufficient to run a mayoralty on; and in view, apparently, of his possible election to the office a movement was started among the Labour party last October in favour of paying future mayors of the borough a salary at the rate of from £500 to £1,000 a year. This was a precedent, for hitherto the office had been held by persons who were able to support the dignity of the position without accepting relief from the rates; but it was a precedent to which the objections were so obvious that even apathy was led to bestir itself and nip the project in the bud.

It is, indeed, to this spirit of apathy that the position of affairs at Poplar here described is to be mainly attributed. There is said to be in the borough a sufficient number of better-class electors—if they would only vote—to return really capable and desirable representatives, possessed of some idea of the value of money, able to control large interests, and having some degree of scruple in not acquitting themselves of their public duties in the personal interests of the people who elect them. So little inclination is there to vote, however, that in one instance a Socialist was returned with a poll of 600 votes in a ward of 4,000 electors, only 300 votes being given for his opponent. The foundations, however, of a local revolution have been laid in the shape of a Ratepayers' Protection Society, and if this body should only receive sufficient support, and succeed in arousing the electorate into a higher sense of its responsibility, the next municipal elections should lead to some important changes.

XI.

(The Times, September 25, 1902.)

THE POSITION AT BIRMINGHAM.

The city of Birmingham has the reputation of being one of the chief, as well as one of the most successful, exponents of that particular phase of civic enterprise known as "gas and water socialism," as distinct from the various schemes of a more or less "wild-cat" character which other municipalities of a still more advanced type have not hesitated to adopt; and the development of this policy has taken place along lines which give to the city exceptional claims to the attention of those who are in any way interested in the subject of municipal government in this country.

For the beginning of the story one must go back to the election on the Birmingham Town Council (as it was then called) of Mr. Joseph Chamberlain. That was in the year 1869; and the immediate object of Mr. Chamberlain and of those associated with him was to rescue the control of local affairs from the hands of a set of men who were literally of a "pot-house" type, since in those days it was no unusual thing for municipal questions to be not only debated but practically settled by the councillors at publichouse conferences. The purpose which these municipal reformers set before themselves was the twofold one of raising the *status* of the council itself, and then of bringing the town out of the slough of despond into which it seemed to be drifting. The aspirations of the little band were well described by Dr. Dale when he wrote:—

> Towards the end of the 'sixties a few Birmingham men made the discovery that perhaps a strong and able town council might do about as much to improve the conditions of life in the town as Parliament itself. . . The November ward meetings assumed a new character. The speakers, instead of discussing small questions of administration and economy, dwelt with glowing enthusiasm on what a great and prosperous town like Birmingham might do for its people. They spoke of sweeping away streets in which it was not possible to live a healthy and decent life; of making the town cleaner, sweeter, and brighter; of providing gardens and parks and music; of erecting baths and free libraries and art galleries, and a museum. Sometimes an adventurous orator would excite his audience by dwelling on the glories of Florence and of the other cities of Italy in the Middle Ages and suggest that Birmingham, too, might become the home of a noble literature and art.

It was with day-dreams such as these that the reformers started, and there set in a golden age in the administration of local affairs which brought about such an elevation in the social *status* of the town council that a seat on the town council came to be recognized as the highest local honour to which a Birmingham man of intelligence, capacity, and public spirit could aspire.

Past and Present.

So it was that the Birmingham Town Council became representative of the best talents of the local residents of those days. Then, under the mayoralty of Mr. Chamberlain, there followed the carrying out of those great schemes for the municipalization of the gas and water services and for the beneficent changes effected by the famous improvement scheme, which soon placed Birmingham in the forefront of municipal progress in this country. But there followed also, in due course, the time when Mr. Chamberlain had to leave local for Imperial administration; and though the spirit which he and the other reformers brought with them on to the council in those early days still pervades it, there is reason for doubt whether the same high standard of efficiency has been maintained.

The various causes which have helped to bring about this result are well deserving of study. One of the primary reasons, perhaps, is to be found in the fact that so many of the leading merchants and others carrying on business in Birmingham no longer live within its boundaries, and do not feel the same degree of concern for the administration of local affairs as before. Among those, too, who do still reside in the city, and might otherwise be inclined to place their services at the disposal of their fellow-citizens, there is an increasing disinclination to fight the battle of ward politics, and more especially to submit, as municipal candidates, to a most distasteful "heckling" at the hands of political partisans or trade union representatives. Party politics, it should be said, have considerable influence on municipal elections at Birming-

ham, though they are not introduced into the council chamber itself. There is also a disposition to think that the same degree of credit can no longer be got out of local administration by the leisured or the aspiring citizen as was the case, especially in Birmingham, a few years ago. As against all this there seems to be an increasing desire on the part of small manufacturers, professional men—especially solicitors—tradesmen, and others to secure municipal honours; and, rightly or wrongly, their aspirations are apt to be regarded as not entirely due to a tender regard for the public welfare. For rising professional or business men desirous of keeping their names before the public, a seat on the town council is found to be a very practical way of achieving local fame. Labour, again, is asserting its claims to direct representation. The Labour members on the Birmingham City Council are not specially obtrusive. They are described as honest, well-meaning men, who are as anxious as any of the other members can be to maintain the reputation of the council for an entire freedom from any suspicion of jobbery or corruption. That they look keenly after the interests of their class is regarded as a matter of course; but they are held to serve a useful purpose in investigating grievances advanced by corporation servants, in occasionally rebuking the *employés* when they find them in the wrong, and in checking disputes which might otherwise develop into strikes. On the council itself, however, some of them are described as "awful windbags"—a failing naturally due to the fact that among the particular class they represent it is those who talk best that achieve the most distinction; while in regard to committee work they are said to be "not of much use," for the simple reason that while they are perfectly at home in discussing a question of wages, or of a particular individual's pension, they are completely lost when it is a matter of dealing with big figures. In the words of a gentleman well versed in municipal affairs in Birmingham, "to put one of them on an important spending committee would be like appointing a working man to the board of directors of the London and North-Western Railway Company." There is not one of them who has been found to be a good administrator, or equal to the chairmanship of a sub-committee. But the Labour members, in their turn, seem to have no great idea of those on the council who represent other interests, for one of them, speaking at a ward meeting in June last, said:—

> Since he had been on the city council and looked round, he had wondered, as in the case of the fly in the amber, how the devil they (the other members) got there. They had shown neither ability, common sense, nor discretion on occasions when these qualities were required. He could pick out 60 working men with whom he had broken shavings who could carry on the work as good as these members. This deterioration of the city council had been going on for the last 15 years. It was not roguery that was prevalent, but rank, gross inentitude.

On this question of efficiency it may also be of interest to quote the following from "Table Talk" in the *Birmingham Daily Mail* of June 7:—

> A visitor to Birmingham, in the person of a member of the London County Council, has been criticizing our city council as the public see it when it is deliberating on municipal affairs in the council chamber. The metropolitan critic, I am told, has particularly noticed the extent to which members avoid the extempore address, and read their speeches. There is, undoubtedly, a good deal to justify the observation, and in the case of some of the councillors who need not be specially named, it is, perhaps, just as well that they do not essay flights of impromptu oratory. It is so much more easy to understand what they mean when they first commit it to paper. One fails, however, to appreciate the weakness in some of the younger members of a council which is not exactly conspicuous for fluent, ready speakers. The interest of the debate suffers by the practice, as was the case on Tuesday last, when there were many empty chairs as the afternoon progressed. At one period not a single seat in the second row was occupied, and only just a quorum (24) was present. The reporters began to speculate on the chance of the council being counted out—a fate which, so far as I know, it has thus far in its career avoided.

The *Birmingham Daily Gazette* of June 12 last summed up the business capacity of the Birmingham Corporation by declaring that it had "sunk only to the level of contempt."

Analysing the list of present members of the council one finds that it consists of 19 manufacturers, eight gentlemen, seven solicitors, three doctors, three auctioneers, three jewellers, two grocers, two bakers and confectioners, and one representative of each of the following occupations—provision merchant, ironfounder, managing director, chartered accountant, metal roller and manufacturer, surgeon dentist, goldsmith, newspaper manager, game and poultry salesman, brass founder, corn factor, engineer, carpenter and joiner, baker and flour dealer, optician, wholesale fruit merchant, postman, fish merchant, metal worker, tin-plate worker, builder, and trade union secretary. Thus, however efficient may have been the composition of the council in the days when Mr. Chamberlain began to bring forward his great schemes (and Mr. Chamberlain's own views on this point will be referred to later on), the list just given—apart altogether from any question of powers of oratory—does not strike an outsider as representing a collection of individuals likely to know much about the management of gasworks, waterworks, electrical energy, and tramways.

The answer to this is, of course, that the undertakings are put into the hands of capable managers, whose practical knowledge atones for any shortcomings on the part of individual members of the council. But here, in the case of Birmingham, we come to another weak point in the city's government. One of the still surviving characteristics of Birmingham industries is the fact that there are so many "small masters" carrying on business in the city; and the predominating influence of men of this type on the council, coupled with the support of the tradesmen members and of the representatives of labour unions, is so exercised that, while nothing is easier on the council than to raise wages, there is nothing harder than to secure an increase of salaries, and especially those of high-placed officials. Up to a salary of £500 a year there may be no great difficulty, but any request for an advance above that sum is apt to be looked upon as monstrous. This phase of municipal life is more characteristic of Birmingham—for the reasons already suggested—than it is, say, of Liverpool, where the members of the council, representing men owning or connected with businesses of greater magnitude, will be more ready to recognize

the commercial value of a first-rate man and pay him accordingly. The effect at Birmingham is that sensitive officials do not care to make application for an increase of salary when they fear they may meet with refusal or be the subject of adverse criticism, and they either remain on—if it suits them so to do—with a suppressed sense of unfair treatment, or they better themselves by going elsewhere. So it is that the falling off in the efficiency of the city council has been supplemented by a similar falling off, to a certain extent, in the efficiency of the corporation staff, since the same stamp of men are no longer coming forward as in former years. It follows, therefore, that, if municipalities are to carry on large commercial undertakings with real success, they will have to be prepared to give to capable managers or officials at least as good a salary as such persons would be likely to get elsewhere, and without regard to what the members themselves may consider a living wage. One feels, indeed, that in Birmingham, as in various other towns, municipal government is on its trial. One cannot place much confidence in the capacity of men engaged in such a miscellaneous collection of occupations as that given above to understand the management of a variety of commercial enterprises of the greatest magnitude; and it is no secret that in Birmingham, as well as in many other places, the tendency is to leave the real control in the hands of the chairman of the committee concerned and of the permanent officials, the other members of the committee being little more than mere ciphers. In these circumstances, if the chairman should vacate his position, for some reason or other, and if, at the same time, the efficiency of the responsible officials should not have been adequately maintained, the risk run by the undertakings might be very serious indeed.

There is still the further consideration, however, that, if officials possessing the highest degree of competency receive the large salaries which their skill and attainments may justify, their position and influence in local affairs will increase proportionately, and in the result they may drift into a position of almost despotic supremacy in matters of local government. It would seem, therefore, that when a municipality composed of small manufacturers, solicitors, dentists, grocers, bakers, corn factors, fish merchants, opticians, tin-plate workers, postmen, trade union secretaries, and others, with a mere sprinkling of possible experts, undertakes the control of speculative municipal concerns calling for great managerial skill and involving enormous sums of public money, the members may find themselves, what with the risk of heavy losses on the one hand and a highly developed bureaucracy on the other, very much in the same position as those who stand between the devil and the deep sea.

Corporation v. Tradesman.

On the general question of municipal trading the position assumed by the leaders of Birmingham civic opinion is that the municipality should undertake only such enterprises as represent a monopoly, or else involve interference with the public streets. These are supposed to give clearly defined lines. But it can hardly be said that they are rigidly adhered to; for the corporation have supplemented their municipal gas supply by carrying on an extensive business in gas-fittings, as well as in gas-stoves, while they even send out corporation gas-fitters to do ordinary jobbing work, with the result that many of the tradesmen have been seriously handicapped, if not practically ruined. Some years ago a local trader who had been in the business for 40 years went round among the gas-fitters of the city to get their signatures to a scheme for the formation of a gas-fitters' association; and he afterwards published an account of his experiences, from which I take the following:—

An instance of another disheartened, near Hampton-street. "Good morning, Mrs. ——, I want your husband's signature to this. I know he is very anxious to sign." "Well, sir, I don't think he cares to lose the time, and has just gone out on a job. I only wish we had never opened this shop. We had a nice bit of money at starting, but the corporation sell all small fittings, even penny burners, common stoves, and brackets, and are on every little job, and go in a carriage to give small estimates, and so crush us out. I told my husband it would be better for him to go back and work for them, for he is a good workman, and understands his trade. We shall then be better off. As we have lost all his savings, perhaps it is better for the corporation to have it all, and, if he signs, they might come down upon him and make him lose his job. We can't pay the rent, and have to leave. The landlord has given us a quarter free, and tells us that the corporation are very powerful; but at some future time there will be an end made to this gross injustice. I will tell him when he comes in, but I don't think he'll sign."

The reply made by the gas department to the protests which have been addressed to them from time to time in regard to such competition as this with the ordinary tradespeople is that, as manufacturers of gas, it is to the interests of the corporation to help consumers to the use of good and economical fittings, inasmuch as nothing would be more likely to injure the popular demand for gas than any dissatisfaction caused by cheap and wasteful fittings or by imperfect workmanship. In answer to this it is declared that there is no ground, or, at least, insufficient ground, for the reflection thus cast upon the gas-fitters in general that they are not sufficiently interested in inducing their customers to use good and economical fittings, or that the workmen they send out are incompetent; but the gas-fitters have the misfortune to be in the weaker position, and there is practically no hope for them. The gas department find it of advantage to carry on the competition, the householders are indifferent so long as they get what they want and do not have to pay too much for it, and the manufacturers of gas-fittings may even prefer to deal with a big corporation instead of with a number of individual tradespeople. So the gas-fitters of Birmingham have to console themselves with their fate as best they can, and the small shopkeeper, who pays heavy rates to a municipality which will not leave him free to put up a gas-bracket or to sell a penny gas-burner, is wondering whether or not, at some future time, there really will be an end made to what the tradesman's wife thought fit to regard as "a gross injustice."

Gas.

The gas undertaking about which the Birmingham Corporation are thus so deeply concerned represents the particular form of muni-

cipal enterprise on which they more especially pride themselves; and the story of this undertaking is a matter of some interest.

It was in January, 1874, that Mr. Chamberlain, then mayor of Birmingham, first brought before the town council his scheme for the taking over by them of the works of the Birmingham Gas Light and Coke Company and of the Staffordshire Gas Company. He said, among other things:—

But for the conviction that the Birmingham Town Council, in common with other great corporations with which he was acquainted, possessed a considerable amount of business ability and commercial experience, and that its members were animated by perfect disinterestedness in their services to the town, he would not have had the boldness to lay before the council this momentous proposition. He reminded the council that the adoption of his proposal would at once raise the borough debt from about half a million to two and a half millions sterling, that it would lead to an immense increase in the patronage and influence of the council and to a great aggrandisement of its power, its responsibilities, and its duties. Almost since he had a seat on the council he had thought of the possibility of a bargain being made with these two private companies, and upon being elected to the mayoralty he had determined to use the influence he had thus obtained to carry out this idea. He held distinctly that all monopolies which were sustained in any way by the State ought to be in the hands of the representatives of the people, by whom they should be administered and to whom the profits should go. At present, the council had inadequate means for discharging all the obligations and responsibilities devolving upon them, and he believed that the pressure of the rates would become intolerable unless some compensation could be found in such a proposal as that before the council. The purchase would help to relieve the ratepayers of burdens which were every day becoming more onerous and oppressive.

The carrying out of Mr. Chamberlain's scheme was an event of first importance in the history of local government. Not only was it of considerable magnitude in itself, but it led to a substantial expansion of municipal trading, both directly and indirectly. It did so directly because there were in the Black Country a number of local authorities which were then being supplied with gas by the Staffordshire company; and when this concern was taken over by the Birmingham Corporation the authorities in question felt compelled to avail themselves of the option to purchase the portions of the undertaking in their particular districts, while indirectly the example set by Birmingham had considerable influence on municipalities in the country generally.

The immediate effect of the transfer was to substitute one set of mains, and also one set of officials, for two; and it also led to substantial sums becoming available for relief of rates. Every year since the concern was taken over there has been so contributed an amount which has never fallen below £19,000, has in some years been as high as from £50,000 to £70,000, and last year (when the price of coal was an adverse circumstance) was close on £30,000. Then the undertaking provided the greater part of the cost of erecting the Birmingham Art Gallery, it has reduced the charge for public lighting to practically the bare cost of manufacture, it has made liberal allowance for depreciation, and, after meeting sinking fund charges, it has been so well able to pay out of revenue for the cost of extensions that the capital charges to-day are very little in excess of what they were 20 years ago, although the output of gas is nearly three times as great.

All this looks like unqualified success; but, in spite of the successes thus claimed for it, the gas undertaking has not escaped a certain amount of criticism. The relief of rates is a healthy sign; but it is pointed out that manufacturers or well-to-do people who have discarded gas and use only electric light get their rates reduced by the public consumption of a commodity which they do not themselves burn, and they enjoy the privilege of a light which, though provided by the town, yields no profit to, and is beyond the means of, their less prosperous fellow-citizens. It is suggested that in this way the gas consumers pay a double dose of rates—their own, and, through the gas charges, a portion of those of the non-gas consumers. Then, although it is admitted to be an excellent thing that the city should have an art gallery, it is suggested that it was hardly fair that the gas users should have had to find the greater part of the cost. So it is urged that, if the profits be really so substantial, the consumers should derive a greater benefit from the enterprise by a reduction of the charges. On the other hand, it is contended that the profits themselves are not so high as they should be, considering the amount of capital involved, one reason being, it is said, that the gas *employés* are paid too much money for doing too little work.

With regard to this question of profits, the chairman of the Finance Committee claimed in the city council not long ago that during the last 27 years the corporation had obtained from municipal trading (represented chiefly by the gas undertaking) no less a sum than £1,000,000 in relief of rates; but another member of the council pointed out that one million sterling in 27 years was £37,000 per annum, which was equal to only 1 per cent. on the capital involved.

On the question of wages there are those who declare that the *employés* at the municipal gas-works have been able to exercise an undue influence on the minds of members of the council unduly anxious about their votes, and have secured conditions so favourable for themselves that the corporation are paying from £30,000 to £40,000 a year more for wages than a limited liability company would pay, the municipal *employés* thus representing a privileged class who enjoy their special advantages at the cost of the other working-men of the city, inasmuch as the profit on the gas works and the consequent relief to the rates are not what they should be. These allegations meet with a flat contradiction in other quarters, where it is represented that the wages paid are in no way excessive. The point at issue is one that raises the whole series of problems already suggested in regard to the direct employment of labour, but on which side the truth lies is a matter which local investigators must be left to decide for themselves. It is significant, however, that, in the third volume of the "History of the Corporation of Birmingham," published in June last, Mr. C. A. Vince gives a long list of concessions made by the council to the gas workers in reduced hours and increased wages, and shows that down to August, 1897, these concessions represented an accumulative cost to the ratepayers equivalent to an increase of nearly fourpence in the pound in the borough rate. Mr. Vince finds some degree of consolation in the fact that "the large increase in the cost of labour has to some extent been counter-

balanced by the introduction of labour-saving appliances.

Water.

Whether or not the municipalization of the Birmingham gas supply has really been a complete success, the municipal trader will be able to make out a much better, if not an unanswerable, case in regard to the water supply. Here, again, the original prime mover was Mr. Chamberlain, but his motive in this instance was altogether different. "In the case of water," he said before the House of Commons Committee on the Water Bill, "it is a question chiefly of health, while in the case of gas it is a question chiefly of profit;" and before the Select Committee he said:—"We have not the slightest intention of making a profit. We shall get our profit indirectly in the comfort of the town and the health of the inhabitants." There is no doubt that the water supply of Birmingham in those days was costly, inadequate, and to a great extent unfit for consumption; but whatever justification there was for the municipalization of the service in 1874-75 has been greatly increased since. The geographical situation of Birmingham is such that no private trading company to-day could hope to supply all the water the city requires and make a profit thereby. Birmingham stands on table-land in the very centre of England, and some parts of the city are 600ft. above the sea level, the town-hall itself being 450ft. above sea level. To get 20,000,000 gallons of water a day to this height costs over £20,000 a year in pumping alone. But far worse than this is the fact that the supplies hitherto relied on are becoming either exhausted or so contaminated that they can no longer be used, and the corporation have found themselves compelled to go to Wales for a supply which will be alike adequate and pure by tapping reservoirs in Wales, the lowest of which is 800ft. above the sea level and the highest over 1,000ft. No commercial company could undertake such a scheme as this in the hope of making it pay; and it is held that, if the water supply of Birmingham had remained in the hands of a company, the city would by this time have been on the verge of a water famine.

Although, however, the municipalization of the Birmingham water supply has thus been abundantly justified by the present situation, it is a striking fact that neither Mr. Chamberlain nor those associated with him in the original venture anticipated a time when the available water supplies for a greatly increased population would become so reduced as to be totally inadequate for the purpose. Animated at the same time by a firm resolve to provide the townspeople with an abundant supply of pure water at the lowest possible cost, they arranged that any profits made should be applied to reducing the charges for the water; and they omitted to provide for the creation from those profits of any special water fund out of which the cost of future important extensions could be defrayed. Such a fund has been formed under the Act authorizing the supply from Wales; but the amounts collected either through this fund or as reserve will be exhausted by March, 1903, and the ratepayers have now before them the prospect of an addition of fourpence in the pound to their rates for the next 20 years. They will thus have to refund, in the form of increased rates, the benefits which they, or their fathers before them, derived in the past from the reduced water charges. Had the profits been allowed to accumulate, even in part, and had the charges been kept at a higher figure, it might have been possible to mitigate somewhat these heavy burdens on the present, if not, also, on the next generation.

The experience of Birmingham in this particular respect has an important bearing on the whole question as to what should be done with the profits from municipal undertakings; and it should be of special significance to communities like Glasgow where the tendency is to maintain the reputation of the governing body for successful speculation by reducing the charges for the services immediately such profits are declared. One cannot but feel, also, that, though in the case of Birmingham the principle of the municipalization of the water supply has been abundantly justified, there must have been a lack of good business management in the carrying out of the Welsh scheme, or the present prospective cost would not be over £2,000,000 in excess of the original estimate.

Electric Lighting.

In the matter of electric lighting the corporation have thus far not been very successful. They decided in the first instance to leave electric lighting in the hands of private companies; and the Birmingham Electric Supply Company was started. It succeeded so well that it declared a profit of £6,000 in 1895, one of £9,000 in 1896, and one of £13,000 in 1897, when it had 917 customers. Thereupon it was thought that so remunerative an undertaking as this should be in the hands of the local authority; and the corporation bought out the concern for £420,000, a sum which is admitted to have been far in excess of the actual value. Since then the profit has been turned into a deficiency. For the 15 months ended March, 1901, this deficiency was £4,175, and for the year ended March 31, 1902, it was £4,813. It is accounted for mainly by the fact that special expenditure has had to be incurred in the conversion of the system to the higher voltage, but the assurance is given that the deficiency will not fall on the rates, inasmuch as it is met out of the renewal fund account taken over from the original company.

Tramways.

The corporation have now also formally resolved on working the tramway service in the city as the leases granted to the various companies fall due, and they have approved a Bill for promotion next Session to authorize their doing so. That the present tramway system at Birmingham is far from being a credit to the city no one can deny. On some of the routes dirty and unsightly cars which ought to have been scrap-heaped years ago are still drawn by lumbering steam traction that is now quite out of date. But the history of tramway enterprise in Birmingham is one long series of differences and bickerings between the corporation and the companies, in whose path almost every possible impediment seems to have been thrown. Mr. Vince himself says on this particular matter in his "History of the Corporation":—

> During the years 1885 and 1886 the Public Works Committee was busily employed in examining numerous schemes which, if they had been executed, would have covered the city with a network of rails. It would be wearisome and useless to attempt any detailed account of all the abortive and forgotten schemes of this period

of speculative enterprise, or to enumerate the drafted Bills or provisional orders which the corporation was called upon to support or oppose. In general, the policy at this time was one of steadfast opposition to the schemes of projectors.

The same attitude has been so far maintained since that time that private enterprise has really not had a fair chance at Birmingham of showing what it can do in keeping pace with the march of progress in tramway matters; and the companies have found either that it was impossible to carry out the improvements they would otherwise have made, or else that it would have been rash to incur heavy expenditure towards the fag end of leases which were not likely to be renewed. So it is that the Birmingham tramway system to-day leaves, to put it mildly, a good deal to be desired.

The case in favour of municipalization is based on the two-fold ground that the corporation want (1) to ensure a better service, and (2) to absorb, in the interests of the rates, the profits now being made by the companies. The former point is a weak one, because private enterprise in tramway matters could, at Birmingham as elsewhere, provide quite as good a service as a corporation—assuming that it were allowed sufficient scope. It is, therefore, the second point that appeals mostly to the citizens, and in the *Birmingham Daily Post* of July 22 it was stated :—"The city is looking to the tramways to relieve it of the enormous increase of rates growing out of the Welsh water scheme." As against municipalization it is argued that to make the tramway service really efficient will involve a very great outlay, which would add considerably to the debt of the city; that there is the risk that the overhead system of electric traction which is now favoured may become practically obsolete by the time it has been applied (just as horse traction, steam traction, and cable traction have been successively tried in the city and followed by improved methods), in which case the rates would suffer rather than gain; that the management of tramways is a matter involving a greater degree of expert knowledge than can be expected from town councillors following such occupations in life as those given above; that the deficiency of experience on the part of the councillors is not likely to be made up for by the officials unless there is a greater disposition shown to pay adequate salaries to first-class men; that, inasmuch as municipal management is notoriously more costly than company management, and as the alleged profits are too often only paper profits, it does not follow that the corporation will be able to show anything like the same results as the companies are showing; that in this respect the experiences of the electric lighting department may be only repeated; and that, in effect, if the corporation were to adopt the United States system (as expounded in the Hon. Robert P. Porter's address before the British Association on September 12) and make sure of a substantial return from the private trader, binding him down to the giving of an efficient service, while offering him fairer treatment than before, the city treasury would probably reap a greater benefit in the end than if the members of the corporation themselves undertook the burden and risk of managing still another costly enterprise the intricacies of which they cannot be expected properly to understand.

Municipal Employés and their Votes.

Out of this question of the proposed municipalization of the tramways there further arises an important consideration with regard to the municipal *employés* and their votes. In Article VII. of the present series—"Municipalities and Direct Labour"—there was quoted an opinion expressed by the town clerk of Birmingham; who thought that the possibility of municipal *employés* using their votes in their own interests was "a danger that must be faced," but added :—"We have not, up to the present time, experienced any disadvantage in having a large number of corporate workmen who are also municipal workmen." It is most gratifying to have this assurance in the case of Birmingham; but, at the same time, one must not shut one's eyes to the possibilities of the situation. For instance, "A Cardiff Ratepayer," in a letter to the *Birmingham Daily Post*, of September 15, relates the following as "a typical incident in the experience of a tramway committee (not the Cardiff committee), employing a large body of men" :—

> A tram driver who, for incompetence, had been reduced to the rank of a conductor, called upon the chairman of the committee, and said that "he wanted his place back again." The chairman said that this was impossible, and referred him to the manager, whereupon the man said, "Unless you do what I want I will see that you do not get elected again next November."

Evidence was given in Article VII. showing how municipal *employés* were combining among themselves to secure the election only of such candidates as would give them their own terms.

At the present time the number of persons employed by the Birmingham Corporation is 7,289, of whom 1,008 are officials, &c., and 6,281 workmen. This number is exclusive of the men temporarily employed in the construction of the new waterworks in Wales; but it naturally includes officials who may be resident outside the city and a certain proportion of youths and others not qualified to vote in the local elections. For these, therefore, some allowance must be made. The total number of men employed by the tramway companies whose lines the corporation propose to take over is about 1,500; and, as showing the value of the additional "patronage" which would be transferred to the corporation, it may be added that the total amount paid in wages and salaries to the persons employed by the City of Birmingham Tramways Company alone is about £85,000 per annum. When, therefore, the tramways were municipalized, the corporation would have over 8,500 persons in their employ, the majority of them being directly interested in the development of local municipal enterprise, and therefore prejudiced in favour of any particular project their employers might bring forward for its extension. But when, towards the end of last year, a poll of the burgesses was taken on the Omnibus Bill, only 9,000 of the electors in the city took the trouble to record their votes, and this, too, although the Bill in question had excited public opinion in Birmingham to an extent almost unprecedented in the history of local municipal politics. It follows that every addition made to the present total number of electors employed by the municipality would constitute an element of at least possible danger to the community whenever the town council happened to agree to a

hastily-compiled and injudiciously-conceived proposal against the public interests, as the Omnibus Bill of last year undoubtedly was.

The additional 1,500 corporation *employés* would thus be a further substantial body to reckon with as electors (even allowing for those of them who had no vote), and they might also be a powerful body to reckon with as corporation servants. The remarks already made as to the way in which the cost of labour has gone up in the Birmingham gas department (where from 1,000 to 1,200 men are employed) would, perhaps, at some future time have to be repeated in regard to the 1,500 men or so on the corporation tramways, so that calculations as to probable profits should not be based on the present cost of working, allowance being made for the more generous scales of pay which municipal *employés* who are also municipal voters seem to have no great difficulty in getting for themselves.

Government by Oligarchy.

In regard to other matters connected with local government at Birmingham it may be said of the improvement scheme which Mr. Chamberlain inspired that, quite apart from any pecuniary considerations, it has conferred immense benefits and advantages on the city. The prudent policy adopted by the council in refusing to embark on any further schemes of municipal house-building, when private enterprise in the city has offered to do all that is necessary, will be dealt with later on in reference to the housing problem in general. Of the public baths at Birmingham it need only be said that Mr. Vince has shown that the fees paid by the bathers have long ceased to cover the maintenance charges, that the average annual loss for ten years has been £3,000, and that practically the ratepayers give 2½d. to every person who buys a ticket of admission to the baths.

Altogether, the case of Birmingham offers arguments in favour of the views alike of those who support and of those who oppose municipal enterprise. But, apart from this particular phase of the subject, it is not a little striking to find that, in spite of the city's traditions, the tendency of local government there would seem to be oligarchical rather than communistic. There is, in fact, an extremely small group of persons who are regarded as the actual rulers of the city council; and it is considered almost a matter of course that anything brought forward in this quarter should be carried, the rank and file following their leaders with a confidence in their judgment which is almost childlike in its simplicity. Thus towards the end of last year there was "rushed" through the city council, at the average rate of two minutes for each section, a General Powers "Omnibus" Bill (referred to above), of which the *Birmingham Daily Post* wrote:—

> The general powers asked for may be comprehensively summed up as being, on one side the power of the corporation to do anything it pleases and on the other side it is the power for the ratepayers at large to do nothing without the leave or licence of the city council. . . . If carried into law in its present form we have no hesitation in saying, after a close examination of its 230 clauses, that Birmingham will be one of the most stringently local-law-governed cities in the United Kingdom, unable to move hand or foot without risking the penalty of at least 40s. and costs. It would almost seem that the advisers of the council have searched up and down the country for the latest and most aggressive by-laws known to municipal administration, and sought to impose this amalgamated harshness on the city of Birmingham. The Bill . . . attempts, in fact, to set up a uniformed and salaried municipal octopus, whose far-reaching arms will have power to intrude into almost every department of civic life. Sick or well, living or dead, the chances are that the people of Birmingham will, under the Bill, should it be allowed to pass into law, find themselves within the worrying influence of the omnipresent "Thou shalt not" set up by this latest example of dictatorial officialism. They will, to put it in plain English, discover that under the provisions of this Bill they must make up their minds in the streets to be dragooned by the police, in their businesses to be harassed by threatenings and penalties, in illness to be at the mercy of inspectors, and (whenever the city council thinks fit to go but one step further) to be consigned at death to the burning fiery furnace of the municipal crematorium the council is preparing for their reception. . . . Even if the Bill were far less objectionable than it is, six months would have been all too short for its full discussion in the council chamber, after abundant opportunity for the people so vitally concerned to have studied its proposals and brought their influence to bear on their representatives.

The Bill was rejected by the burgesses both at the town's meeting and at the poll which was taken. It was certainly not a little strange that the civic representatives of a people so renowned as those of Birmingham have been in the past for their jealous regard of the liberty of the subject should have allowed such a measure to be smuggled through the city council under their very noses, and that they should have left the ratepayers themselves, headed by a hastily-formed Trades and Property Association, to discover its obnoxious features. The fact would seem to indicate one of two things—either that there is very good reason indeed for the suggestion as to a falling off in the efficiency of the city council, or that the attention of the members is so much occupied by the various forms of their municipal enterprise that they tacitly consented, not only to a variety of ill-advised schemes, but also to a serious curtailment of their liberties as citizens, without fully realizing what it was they were doing.

XII.

(The Times, September 30, 1902.)

MUNICIPAL ENTERPRISE AT GLASGOW.—I.

The accounts already given as to what Socialism has done for West Ham, Labour for Battersea and Poplar, and "gas and water Socialism" for Birmingham may be supplemented by a few facts and figures concerning the achievements of "municipal enterprise" at Glasgow; for there it is that this particular phase of the local government of to-day has undergone its greatest development. Tradition says that a Glasgow councillor once affirmed that the aim of the corporation of that city was to provide everything the population required in its passage from the cradle to the grave; and when one goes through the list of what the Glasgow Corporation do for their citizens there would seem to be not very much scope for energy left open

to any one else. Thus, without making any pretence to exhaust the catalogue, it may be mentioned that the corporation supply Glasgow with water, gas, electric light, tramways, and telephones; they control 11 public parks and galleries, 13 baths and washhouses, a fruit and vegetable market, a dead-meat market, a home cattle market, two foreign cattle markets, a cheese market, a bird and dog market and an old clothes market, four slaughter-houses and offices, four hospitals, and one burying ground; they are the owners of 2,488 municipal houses, 78 lodging-houses (of which they manage seven themselves), a family home (also managed by the corporation), 372 shops, 49 stores, 43 warehouses, 43 workshops, 12 halls, two churches, two hotels, one theatre, one studio, one pawn office, one nursing home, one powder mill, one panorama (site), one laundry, one bakehouse, one golf course, and one gospel tent; they farm over 1,000 acres of land, where large crops are grown, including all the hay used in the stables of the Cleansing Department, as well as large crops of oats, wheat, turnips, &c.; they convert the city sewage into solid matter, which they sell to the farmers for manure; they carry on business as market gardeners; they possess stone quarries and have 900 railway wagons; they build tramcars, reclaim bogs, conduct a civic granary, raise £1,000 a year on the clinker from the refuse-cremating furnaces, collect and sell waste-paper, and are not above melting and disposing of the solder from the old tin cans they find in the dust heaps—all these things being done or supervised, in their leisure time, by the miscellaneous group of persons who constitute the Glasgow Corporation.

There is, in fact, hardly any limit to the activity of Glasgow's local rulers; and, if any city on earth could be made perfectly happy, prosperous, and contented by means of an extreme resort to municipal enterprise, municipal trading, municipal Socialism—call it what you will—that city should be Glasgow. But it is doubtful if, after all, Glasgow is quite so happy, so prosperous, or so contented as, theoretically, she ought to be. On the one hand, her "enterprise" is held up by enthusiasts as a "model" for universal municipal imitation. On the other, there are mutterings of discontent among not a few of her citizens, who look disconsolately at the hampering of the traders by reason of the higher rates and the direct competition of the municipality, who view with uneasiness the decreasing opportunities for the investment of capital in local commercial undertakings, who regard with alarm the enormous expansion of Glasgow's debt, who have watched the steady growth in the corporation of Socialist tendencies with which they have no sympathy, and who have seen in the developments of the past few years the danger of Glasgow's being converted, sooner or later, from a free city, where every man has liberty to carry on his occupation or his industry under the protection of his local rulers, into a communistic society where those rulers would have all industries under their own control, and deprive him alike of any opportunity for independent enterprise and of any incentive to individual exertion.

This last-mentioned natural development of ultra-Socialist principles may still be far off—yet not so very far off, perhaps, if one supposes that the so-called municipal progress of Glasgow during the last 12 years is to continue at the same rate for the next 12 years. As it happens, too, there is not even the pretence of saying, at Glasgow, that municipal enterprise is resorted to as a means of "keeping down the rates." So far, at least, the rulers of the city are absolutely sincere. Glasgow's municipal undertakings are conducted without any desire to become remunerative merely in the way of producing a profit; and it has been repeatedly said that any profit, if made, would be applied, not to the reduction of the rates, but to the improvement or the cheapening of the services. Thus the rates are pledged in the interests of the user, and the ratepayer, as such, gets no benefit in return.

Glasgow's Finances.

How the annual municipal revenue and expenditure of Glasgow have been affected by her "enterprise" is well shown by the following table (compiled from official returns, and published in the "Citizen's Union Year-book"); and special attention may be called to the figures illustrating the great increase in late years on capital expenditure:—

	Revenue.	Expenditure.	Capital Expenditure.
1887-88	£1,144,263	£1,142,199	£193,774
1888-89	1,182,667	1,169,231	248,436
1889-90	1,212,153	1,193,156	333,355
1890-91	1,304,640	1,284,920	301,772
1891-92	1,471,578	1,528,595	810,542
1892-93	1,550,984	1,531,506	734,948
1893-94	1,608,669	1,555,909	857,825
1894-95	1,892,581	1,851,323	727,819
1895-96	2,023,122	1,934,186	637,549
1896-97	2,100,955	2,021,796	736,947
1897-98	2,204,862	2,136,801	665,985
1898-99	2,444,211	2,349,447	860,199
1899-1900... ...	2,573,200	2,490,003	1,171,935
1900-01	2,809,405	2,846,442	1,797,871

Still more disquieting, perhaps, is the following table, also from the "Citizen's Union Year-book," showing the growth of Glasgow's municipal debt as compared with the corresponding growth in the assessable rental:—

	Debt.	Assessable Rental.
1887-88	£5,335,399	£3,364,562
1888-89	5,332,400	3,370,733
1889-90	5,347,024	3,404,403
1890-91	5,448,027	3,455,510
1891-92	6,241,933	3,438,747
1892-93	6,718,516	4,060,600
1893-94	7,011,894	4,164,916
1894-95	7,218,222	4,208,842
1895-96	7,554,619	4,283,982
1896-97	8,748,652	4,432,677
1897-98	9,049,065	4,532,179
1898-99	9,632,587	4,621,654
1899-1900	10,624,397	4,791,314
1900-01	12,875,219	4,952,964

It will be seen that, while the increase in the assessable rental of Glasgow since 1892-93 has been less than £900,000, the increase in the municipal debt in the same period has been over

£6,000,000 ; and, in the circumstances, one can readily sympathize with the views expressed by a Glasgow paper, the *Citizen*, when, in declaring that there was a notable need in the town council for men who understood figures and finance, it said :—

There is a feeling that the expenditure of the city is outrunning the constable, that, in point of fact, the corporation, with too great facility for obtaining cheap money, is rapidly accumulating a very heavy debt obligation which may prove troublesome in the not distant future.

How the rates have gone up, in addition, is illustrated by the figures given below. These show the total rates imposed by the corporation in all its branches for municipal purposes only, and do not include domestic water-rate payable by tenants, and rates for cleansing private streets and courts, and for stair and court lights, payable by property owners :—

Year.	Rate per £. Rents £10 and upwards.	Rents below £10.	Total Assessments of every kind imposed in each year for Municipal Purposes.
	s. d.	s. d.	£
1887-88 ...	2 5¼	1 9½	358,421
1890-91 ...	2 5⅝	1 9 9/16	375,544
1899-1900 ...	2 9 3/16	2 3	650,887
1900-01 ...	3 0½	2 4 3/16	718,753
1901-02 ...	3 3⅝	2 7 5/16	738,446*

* Estimated.

This increase in rates has told severely on the trading classes. The railway companies have been especially affected—all the more so because four of these companies provide about one-fifteenth of the total rates of the city of Glasgow. In the case of one company the yearly increase in the local rates paid in respect of their line and station values and house property in Glasgow since 1895 has been as follows:—1895-96, £676; 1896-97, £1,215; 1897-98, £3,328 ; 1898-99, £4,556 ; 1899-1900, £6,475 ; 1900-01, £8,710 ; 1901-02, £10,913. It is true that 40 per cent. of this increase was due to greater assessable value of the properties concerned ; but the remaining 60 per cent. was the direct result of the increase in the rates per £. In the case of another railway company the increase per annum for the three years ending 1902 was £1,990. Not only have the railway companies to bear this substantial increase of their local burdens, but they have, as well, to meet a direct competition from the very authorities whose undertakings they are taxed to support. So severe may this competition become in the matter of municipal tramways, for instance, that the Glasgow and South-Western Railway Company have just announced the withdrawal of their suburban train service between Glasgow and Springburn, and also between Glasgow and Govan. As regards the general traders, four merchants in Glasgow had to pay increases during the last eight years to the extent of £1,000, £900, £395, and £368 respectively.

As against the rapidly-increasing public debt of Glasgow there are, of course, substantial assets ; though at Glasgow, as elsewhere, the argument that the city will be the owner of valuable undertakings when they shall have been finally paid off does not adequately console the citizens who are bearing the burden of higher taxation to-day. There is some doubt, too, as to whether the available assets really are so great as the world at large has been invited to believe. Only a few years ago, for instance, it was stated that the balance-sheet of the corporation showed the splendid surplus of £3,000,000 ; but a local newspaper, the *Citizen*, looked into the figures, and found that among the most valuable of the corporation's assets taken into account were the city sewers and the street-paving setts. It would seem, too, that the credit of Glasgow is falling off somewhat in the opinion of investors, for in a letter to the *Glasgow Evening Times* of March 24 last Mr. Arthur Kay wrote :—

In 1896 Glasgow Irredeemable Three-and-a-Half per Cents. stood at 139½ ; they are now 118. Glasgow Two-and-a-Half per Cents., redeemable 1925-40, were 103¾ in 1896 ; now they are at £86. How's that for the credulous investor who believes in the alleged "unlimited security" put forward by the borrowing corporation of Glasgow ? How can security be unlimited so long as there is a legal limit to assessable values ? How does the investor feel who finds his capital reduced in six years by over 17 per cent. ?

An investigation into all the various enterprises undertaken by the corporation of Glasgow would be far too voluminous a task for the space here available : and some of those enterprises—such, for instance, as the water supply, which, most happily, was undertaken by the city rulers years ago in circumstances that reflect only credit on them—merit, undoubtedly, cordial approval, as also does the energy shown in matters affecting the public health and in various other ways. But when one comes to look into the speculative undertakings carried on by the city there is certainly room for inquiry ; and it is worth while looking into a few of these by way of seeing whether they really have been so successful as the advocates of the municipalization of such undertakings would have us believe.

The Glasgow Tramways.

Of the many phases of municipal enterprise to which Glasgow has resorted it is for the tramway system that the greatest degree of credit is claimed. True it is that handsomer and more commodious cars, lower fares, and a more convenient service generally could not easily be found. But, further, the world at large is invited to regard the Glasgow tramways as a pronounced financial success—if not, indeed, an absolute triumph of municipal enterprise ; and the results secured—or alleged to have been secured—at Glasgow are referred to all through the United Kingdom by the advocates of such enterprise as deserving general emulation. It is, therefore, a matter of exceptional interest to inquire what these results have actually been.

The year ended May 31 last, for which the accounts of the Glasgow Tramways Department were presented in August, was the first year in which the tramways had been operated by, practically, electric traction only ; and these accounts show, as the result of the 12 months' working, a "gross balance" of £209,310 4s. 4d. Not a few unreflecting people in the country have regarded these figures in the light of "profit" ; and their esteem for the Glasgow tramways, and their belief also in municipal enterprise, have consequently become greater than ever. But from this "gross balance" certain deductions must be made. From it there is to be taken £5,057 3s. 10d. for interest and sinking fund, &c., on the cost of the Govan tramways ; £54,282 17s. 10d. for interest on capital ; £36,974 15s. 9d. for sinking fund ; and £12,500 payment to the Common Good. These items reduce the gross balance to a net balance of

£100,495 6s. 11d. to be added to the general reserve fund. But a close analysis to which the *Glasgow Herald* has subjected the figures shows that even this net balance is in no way to be regarded as net profit. The *Herald* considers, in the first place, that the payment for the use of the Govan tramways is *de facto* rental; and it argues that, if the department paid in the same proportion for the track within the city boundary and as much as a company would have to pay, it would contribute to the Common Good a sum of £48,700 instead of £12,500. "Moreover," the *Herald* proceeds, "the corporation department escapes the burden of interest on a deposit, and other obligations laid upon lessees, and all this helps to increase the illusory surplus." Following up the further history of the £100,495 6s. 11d. after its transfer to the general reserve fund, the *Herald* shows that it is there applied in liquidation of payments which ought to have appeared in the general balance-sheet. From the £283,923 13s. 9d. to which the general reserve fund was augmented by the addition of the £100,000 odd there is first taken £190,000, to transfer to permanent way renewal fund, from which the expenditure during the last three years has been £240,560 2s. 5d., and in which a balance now remains of only £85,344 for upkeep of track. The allocation of this £190 000 left the general reserve fund with a nominal £93,923 13s. 9d. But this, the *Herald* proceeds, is only a book entry for depreciation—cost of alteration of buildings to suit electric traction, the loss on last dispersal sales of horses, and so forth, being taken out of this fund instead of out of the reputed "gross balance." These debits absorb £93,539 15s. 9d. and leave only £383 18s. to the credit of the general reserve fund. Recasting the balance-sheet without the cross entries through reserve account the *Herald* gets the following results:—

Receipts.						
Gross per statement	...	£614,413	4	11		
Less working expenses	...	405,103	0	7		
					£209,310	4 4
Expenditure.						
Govan Tramways	... ...	£5,057	3	10		
Interest on capital	... ...	54,282	17	10		
Sinking Fund	... ...	36,974	15	9		
Common Good	... ...	12,500	0	0		
Depreciation, &c., per Reserve Fund Account	...	93,539	15	9		
					202,354	13 2
Net balance	... ...				£6,955	11 2

Even with this transformation of a "gross balance" of £209.310 4s. 4d. into a net balance of £6,955 11s. 2d. the merciless critic in the *Herald* is not satisfied; for he continues:—

> Had the department to pay rental such as a company would have to do, instead of a trifle of £12,500 to the Common Good, there would have been a dead loss of over £40,000. This is assuming that enough has been written off for depreciation in every direction, which, however, is assuming too much. We freely admit that the writing down and dispersal of the large stud of horses has been skilfully managed. . . . But the electric cars have now reached the large value of £296,355, and the depreciation written off is only £22,541, including the depreciation on all the other vehicles of the department. But who knows what the life of one of our electric cars is going to be? Who knows how long a motor will be serviceable under the strain of our traffic and heavy gradients? Again, the capital outlay in respect of the electric equipment has been £466,596, and against this only £14,690 has been written off for the depreciation of the year. But what is the life of an overhead wire and its supports? And how long will it be before the whole wiring has to be renewed from end to end? If in the course of four or five years, as some assert, then it is obvious that very insufficient provision is being made for renewal.

One obtains here an interesting insight into that system of municipal book-keeping by means of which experts in municipal enterprise are able to declare illusory profits; while so great is the desire at Glasgow to keep up the public faith in such profits that on the strength of the working of the tramways for the year ended May 31 having been such a great financial success (?) a very substantial reduction in the fares was made on June 1, in order that the "users" should benefit from the "profits." At Glasgow, as has been already explained, there is no idea of utilizing such profits, whether real or imaginary, in relief of general rates—and this notwithstanding the fact that the traffic in the city, since the introduction of the electric haulage, has been greatly diverted to side streets, the increased cost of the maintenance of which falls entirely on the ratepayers. But when, in due course, heavy charges for renewals in connexion with the tramways have to be met, and the reserve funds are found to be inadequate to meet them, because the "profits" have been given to the tramway users in the form of reduced fares, it is at the risk of these very ratepayers that the further sums required will have to be raised. The whole enterprise is a case of "heads, the tramway patrons win; tails, the ratepayers lose."

The Glasgow Municipal Telephones.

The question of the success or otherwise of the telephone system which the Corporation of Glasgow have set up is also a matter of exceptional interest, inasmuch as municipal telephony represents one of the latest developments of municipal enterprise, and already various towns are being inspired by the example of Glasgow, and especially by the report of the "profits" that city is already making, to follow in her footsteps in organizing independent systems of their own.

One of the principal reasons why the Glasgow Corporation embarked on the telephone business at all was the admitted inefficiency of the local service of the National Telephone Company. It was further declared that that service was too dear, in addition to being unsatisfactory in itself; and the corporation aimed at providing a five guinea service, on which, they declared, a profit could be made. Whether or not this is possible remains to be seen, but in regard to the inefficiency of the company's telephone service there are one or two considerations which, in common fairness to that much-abused company, ought to be borne in mind. So far back as 1896 the National Telephone Company found that their Glasgow service stood in need of improvement, and they resolved to reconstruct the entire system. In the carrying out of this reconstruction they thought it most desirable that the wires should be put underground, and they applied for leave so to do. The outcome, however, of their prolonged negotiations with the corporation was that permission was refused; and the company then set about carrying out their reconstruction scheme on the overhead system, getting wayleaves as best they could; while, to make up for the time already lost in the fruitless negotiations with the local authorities,

they did the delayed reconstruction with a speed that, for the time being, led to fresh complications in the working of the telephones. Meanwhile the corporation had resolved to set up a telephone system of their own, the very inefficiency which their obstructive policy had directly tended to increase in the company's system being made use of as one of the main arguments in favour of municipal action.

To begin with, the corporation spent £16,000 on Parliamentary and other "preliminary and general expenses." Then, although the original estimate of the cost of the work was £121,000, the accounts for the first nine months' working show that the sum actually spent up to that time was £192,693 14s. 3d. This substantial increase is accounted for by the fact that the work has been carried out on a more extensive and a more efficient scale than was at first contemplated. But it is rather startling to find that close on £200,000 should have been already spent on an undertaking the licence for which will expire on December 31, 1913, when the Postmaster-General will be able to purchase, for its fair market value at that date, "all such plant as is suitable for actual requirements." As this big liability has been incurred at the risk of the general body of the ratepayers in the supposed interests of a particular section thereof, one is entitled to look all the more closely at the results of the working, so far as they have been at present declared.

According to the financial statement of the telephone department for the first nine months the accounts show a balance to the good of £398 7s. 10½d. This odd halfpenny is especially impressive, and at first sight it gives one the idea of a most scrupulous system of municipal bookkeeping. But the book-keepers who will not forgo the credit even of a single halfpenny do not think it necessary to debit a £200,000 concern with anything at all for depreciation, though it is perfectly certain that deterioration must have set in at once in the case of a class of plant which decreases in value at a far greater rate than ordinary machinery and may at any time be superseded by improvements. It is, indeed, declared that the main switchboard set up by the corporation is of a type which had already been discarded by the National Telephone Company. In the same way, the allowance of only £1,960 for sinking fund is, in the circumstances, justly condemned as "hopelessly inadequate." Then Mr. John M. Murray, a Glasgow accountant, has shown, in a letter to the local Press, that, though the amount of revenue received during the nine months is put down at £28,171 13s. 5d., that sum included (*a*) the amount paid in advance for telephone services not yet rendered, representing £12,417 1s. 5d.; and (*b*) trunk and telegram fees amounting to £1,658 8s. 1½d., which were merely collected on behalf of the Post Office, and require to be at once paid over, less a small commission for collection.

There is no need to go any deeper into the accounts in order to convince oneself that the alleged profit of £398 7s. 10½d. is little more than a paper profit, and only another illustration of the ingenious manner in which municipal figures can be manipulated when the compilers thereof start with the assumption that they are morally bound to show a favourable balance, whatever the experiences of the particular undertaking may have been. But, quite apart from this question of the first nine months' working—from which no reasonable person would have expected any profit whatever—there would seem to be very little prospect that the Glasgow municipal telephone service will become a financial success at all on its present lines. Its greatest claim to the support of the citizens is the fact that it is a five-guinea service, so that it will save them £4 15s. a year if they have it in preference to that of the National Telephone Company. But there are the gravest reasons for doubt whether, in view of the magnitude of the expenditure and of the shortness of the licence, the service can ever be made to pay on a basis of a five-guinea subscription—especially if it be true, as stated in one quarter, that the trunk-line charges which the corporation have undertaken to defray have, in certain cases, swept away the whole of the five guineas the subscriber has paid. So there are already suggestions of an increase in the subscription, and it has been intimated in the council chamber that "if the corporation want to make money they can raise the charge to £10." Then, to the claim that the municipal system has saved the ratepayers £25,000 a year by giving them a cheaper telephone service, it can only be replied that, inasmuch as 3,000 firms are officially stated to have adopted both the municipal and the company's service (so as to make sure of being in communication with subscribers to each system), it looks very much as if the firms in question, instead of saving anything, were spending at least £15,000 a year in excess of what would be necessary if there were only a single service.

The whole position, in fact, in reference to either the present or the future success of municipal telephony at Glasgow is so far doubtful that other towns which may be disposed to follow the example of that city would do well to look closely into the figures on the strength of which a profit is already claimed, and not to accept too readily the roseate statements made in the Glasgow Council Chamber, of which, in dealing with this self same question of municipal telephony, the *Glasgow Herald* of September 5 declared:—

> The levity and incapacity displayed in that chamber in the discussion of all questions affecting the administration of the public funds is the despair of thinking citizens. Members destitute of the most rudimentary notions of book-keeping vote away thousands with a light heart, and cheerfully express approval of the satisfactory character of accounts which they are clearly unable to understand.

The Electricity Department.

For the story of electric lighting at Glasgow a very few words must suffice. From 1882 to 1892 municipal enterprise did nothing in the matter. But when, in 1892, the corporation found that a small private company had started, and had already got 37 customers, they took alarm, resolved to have the field clear for themselves, and bought out the company for £15,000. They then set up a new station of their own; but in the early years of its history the development of the Municipal Electric Lighting Department was handicapped by the jealousy of the Municipal Gas Department, which sought to put obstacles in the way of a younger rival that

threatened its own ascendency. This attitude was due in no small degree to the fact that an ambitious gas manager, interested only in the success of the undertaking of which he had charge, was able to influence the minds of a feeble committee, thus bringing about a condition of things which has been experienced in other places besides Glasgow. In 1898 a spurt was made with the electricity department, and a substantial extension of the supply was organized; but the number of customers was still so small that, in order to secure more, the prices were reduced (notwithstanding the loss at which the concern was then working); and it is represented that the charges are now the lowest of any in the United Kingdom. The final result is that, in a city with a population of 762,000 people, the Glasgow Corporation had, on May 31 last, 5,374 customers for their electric light and electric power, and that on a capital expenditure of £962,000 they claim to have secured in the year 1901-1902 a surplus of £11,430. But, as this sum is stated by them, in their annual report, to be "insufficient to provide for a general depreciation of the whole capital of the undertaking," it is held that "the wisest and most prudent course to follow is to apply this money to the reduction of the capital accounts involved." In other words, the surplus is absorbed by writing off the capital value of plant that has become more or less obsolete, and the alleged "profit," after nine years' working, is not even adequate to cover all the allowances for depreciation that ought, properly speaking, to be met!

Municipal House-Building.

Still another form of enterprise on which the rulers of Glasgow pride themselves is represented by their adventure into the domain of municipal housebuilding. Under the Glasgow Improvements Act of 1866 the City Corporation acquired possession of slum areas extending over 88 acres, and occupied by a population of 51,000 persons, the cost of the scheduled properties being about £2,000,000. Clearances were effected, new streets were formed, and it was hoped that the vacant land would be taken up by builders, and turned to account by them. A substantial portion of the land was disposed of to builders on chief rent or feu duty of a capital value of about £300,000. But the charges imposed by the corporation were very high, and the fact that such extensive clearances had been made, and the former population scattered to other districts, led to there being only a limited demand for shops and houses at that time, so that several of the builders lost very heavily by their speculation. Others were deterred from running the risk of sharing their experiences; and, as the corporation declined to reduce the charges for sites, so as to give to the builders a reasonable chance of a fair return on outlay, the remainder of the land was left on their hands until 1888, when they resolved to carry out a building scheme on their own account. They then proceeded to put up a considerable number of shops and dwelling houses, seven large lodging-houses, a laundry, and a family home, the total value of the property thus erected by them being about £1,000,000. To meet the cost of carrying out their improvement scheme the corporation had levied on the rental value of the city a rate which was fixed at sixpence in the £ for the first year, fourpence in the £ for the next four years, with subsequent reductions until one penny in the £ was reached, at which figure it stood until it was finally abandoned in 1888. The charge on the rates thus extended over a period of more than 20 years, and the total amount actually contributed by the ratepayers has been put at £600.000.

In return for this expenditure the city gained what was undoubtedly a very great improvement in the disappearance of many narrow streets, filthy courts, and insanitary and overcrowded dwellings, and the substitution for them of new and broadened thoroughfares, with healthy dwellings, shops, &c. But there was no suggestion of any attempt to re-house the people who had been ejected from the demolished areas, the new dwellings being, as a rule, such as only well-to-do artisans, corporation officials, clerks, shopkeepers, or professional men could afford to rent. It is said there are even members of the town council itself living in some of the municipal dwellings. The 51,000 persons dishoused from the insanitary areas were mostly left to migrate into other districts of the city.

As regards the corporation lodging-houses, it is true that at the time they were started they were a distinct advance on anything that private enterprise had done on these lines; but private enterprise soon began to provide lodging-houses fully equal to those of the corporation, and there was then no need for the latter to continue the business. It is equally true that there is an increasing demand for accommodation in the corporation lodging-houses—especially on the part of men who regard them as municipal houses of refuge from wives whom they wish to leave, and who give false names so as to escape detection when their wives inquire for them; or of other men who, earning good wages, want to reduce the cost of living to a *minimum* so that they can spend as much as possible in drink. There is good reason to fear that the so-called housing problem in Glasgow is largely a drink problem. In a certain condemned area in Glasgow I found an intelligent woman, evidently of a respectable type, but dressed in rags, having a blackened eye and a bruise on the forehead, and accompanied by four children who looked a very picture of misery and neglect. To the question "Where will you go when you have to leave here?" the woman's reply was, "Oh, we should be all right if he would only keep off the drink. He earned 4s.6d. yesterday, but spent 4s. 2d. on drink, and brought me 4d. to keep the house on, and he knocked me about, as you see."

The "family home" set up by the corporation was intended originally for both widowers and widows with families, the idea being that the children could be cared for there by responsible persons while the parent went out to work; but developments took place which were not in the municipal programme, and the widows were got rid of, accommodation being now available only for widowers. But at no time, it is said, has the home been more than three parts full; and whether a municipality should devote the public funds to any such enterprise at all is open to question.

So serious was the state of things brought about by the corporation's pulling down the

poorest class of houses without making any provision for the poorest class of people that in 1890 the Glasgow Workmen's Dwellings Company (Limited) was formed by certain prominent citizens, with a capital of about £40,000, not with the idea of curing the evil with such very modest means, but in the hope of affording some "object-lessons" alike in the building of "simple, sound houses," capable of being let at *minimum* rents, and in improving the structure and the management of dilapidated slums, so as to convert them into habitable and remunerative dwellings, instead of demolishing them altogether. It was thought that, if these object-lessons were a success, the city authorities and other agencies would be encouraged to follow the example set. The company thus played the *rôle* of pioneers in Glasgow, for the corporation, be it remembered, had up to then made virtually no attempt to house the poor, and had dealt only with just the cream of the artisan classes. In the course of ten years the company invested the whole of its capital in erecting six large blocks of new dwellings on two sites, one in the north and the other in the east of the city, and in purchasing 26 blocks or tenements of "neglected and dilapidated houses, hotbeds of disease and crime," which either have been, or are in process of being, thoroughly renovated and converted into decent homes. But it seems that for some years after the completion of the first block of new tenements the company's building operations were suspended, "largely," says their secretary, in some "Notes" published by him on these "Experiments in Housing," "from uncertainty as to the policy of the corporation in providing much-needed housing accommodation for the struggling labouring class." On this same point Dr. Smart, Professor of Political Economy in the University of Glasgow, in a lecture on "The Housing Problem and the Municipality," after describing what had been done by the company of which he is a member. added :—

> And all this without any help whatever from the corporation—indeed with not a little of ignorant if not ill-natured obstruction. I say this perfectly frankly. It only illustrates the tendency of a great successful municipality not to help, but rather to hinder, any private agency which presumes to do the same work as itself.

Meanwhile, that is to say in 1897, the Glasgow Corporation obtained a further Act which authorized them to acquire and deal with six other insanitary areas, the condition of which had been rendered so much worse, as the outcome of the policy already carried out, that they were, undoubtedly, a source of danger to the public health. It was held, however, that the sites thus to be cleared were too valuable to be utilized again for housing purposes ; and the corporation were further empowered to acquire 25 acres of land elsewhere, either within the city or within a radius of half a mile of the boundary, for dwellings for the poorer classes. The corporation were also authorized to borrow £560,000, to be repaid within 60 years, and to levy a rate of 1d. in the pound, to enable them to carry the Act into effect. Yet here again there has been no attempt on the part of the corporation to rehouse the particular classes ejected from the fresh lot of slums. They even successfully petitioned the Secretary for Scotland to be relieved of the responsibility of making any such provision, representing that there was already ample accommodation in the immediate neighbourhood of the areas in question. So where the slums had stood before the corporation erected five and six storey warehouses, workshops, and other commercial buildings ; while municipal dwellings, suitable only for people earning wages of not less than from 22s. to 26s. a week, are being put up at Alexandra-park, which, as Professor Smart has pointed out, "is a mile and a half from any centre of industry and from the present slums, and the site selected is about seven minutes' walk from the car terminus. It is, indeed," he adds, "among green fields ; but it is questionable whether green fields are as attractive as they should be to the class in question. Cynical people suggest that the new gasworks are being built in the vicinity, and that the need of accommodating corporation *employés* may have something to do with the new tenements." The profits realized by the corporation from the commercial buildings on the areas cleared within the city are to be applied, as far as necessary, to the relief of the dwellings beyond the city boundaries, the idea being that it will thus be possible to accommodate the tenants at cost price, or even less, without any charge falling directly on the rates. A further reduction in the cost has been effected through building on some surplus land acquired from the Parks and Cleansing Departments, which have not wanted it for their special purposes. One sees, therefore, that the tenants of these dwellings will well deserve to rank as a privileged class ; and that should be doubly the case if, besides being allowed to occupy dwellings erected in these specially favourable circumstances, they should indeed be mostly municipal *employés*, engaged at the neighbouring gasworks.

In any case the direct result of the policy carried out by the Glasgow Corporation in regard to the housing question has been to check the further development of local private enterprise along the lines laid down by the Workmen's Dwellings Company. Professor Smart says of that company :—

> It has built to the limit of its capital. It could raise more capital, or it could start other companies. But it stays its hand for two very good reasons—(1) Because it cannot afford to rent at cost ; and (2) because, even if it were willing to, there is no use in private people losing money to do what the corporation is going to do, presumably without losing money.

The position is the more regrettable because no one who reads Mr. Mann's "Notes" on the operations of the company can fail to be struck with the great amount of good which has been done with such a very modest capital as £40,000, while still securing a return of 4 per cent. for the shareholders. One feels, indeed, that the Glasgow Workmen's Dwellings Company has really done more in its way towards the solution of the real housing problem than the Glasgow Corporation with all the funds at their command ; and there is even the suspicion that the result of municipal policy in Glasgow has been to intensify the housing problem there, rather than to bring about any effectual remedy.

As for the individual builders at Glasgow,

apart from the housing companies, their attitude on the question was indicated by a speech delivered at the last annual meeting of the Glasgow Landlords' Association (Limited), by the president, Mr. W. C. M'Bain, who in the course of his address spoke of the necessity of maintaining their association strong in membership and funds, so as to "repulse the repeated aggressive attacks by the corporation," and added :—

We do not object to the corporation safeguarding the health and lives of the citizens; and equitable, well-considered schemes for the attainment of that object will meet with no opposition from us. But we do object to the fruits of our industry being filched from us, and to our legally acquired property being treated as if it belonged to the municipality. House-owning is a business, and people embark in it as they do in railways, collieries, and manufacturing—to turn an honest penny and make a living, and not for fun, or to afford a target for faddists to shoot at. House-owners receive no favours from the corporation, and none are asked; but we object to schemes which are founded on the lines of conferring 90 per cent. of the benefits on one class, and placing 90 per cent. of the burdens on another.

XIII.

(The Times, October 6, 1902.)

MUNICIPAL ENTERPRISE AT GLASGOW.—II.

The city of Glasgow, whose adventures into the domain of municipal enterprise have assumed so many and such varied forms, presents a good illustration of a community where the "Socialist Idea" spoken of in the first article of the present series has been developed in recent years either by avowed Socialists or by those of the local rulers who, without being actual members of the party, have acted in accord with the lines laid down in the Socialist programme. The story of the extreme Socialist faction on the Glasgow Town Council, representing the former party as distinguished from the latter, is worth relating.

The growth of Socialism itself as an active force in the public life of Glasgow began with the visit to that city of the late Henry George. At first the converts he made were satisfied with discussing his own particular theories; but as time went on they developed their ideas still further, and resolved to reconstruct society, so far as they could, by operating in the field of local government. Accordingly they sought to strengthen their position on the town council in the hope of securing the municipalization of this, that, and the other, in furtherance of their propaganda; and they had invaluable help from political sentimentalists who coquetted with the theories and principles advanced, and became more or less active helpers in the general movement. They had another substantial advantage in the fact that, as the scope of municipal action was broadened in Glasgow, there was a corresponding increase in the reluctance of the most capable business men to undertake the management of so many different enterprises. A certain proportion of such citizens, possessed of a due sense of local patriotism, and influenced only by zeal for the public good, there undoubtedly always has been on the Glasgow Town Council; but the general body of leading merchants and manufacturers, professional men, and prominent tradesmen, found they could not give the time, and doubted if they had the brain power necessary, to master and control such a multiplicity of municipal undertakings in addition to the ordinary humdrum duties of local government, to say nothing of their own private affairs. All this played into the hands of the avowed Socialists, who had a double purpose to serve in their efforts to capture the local administration. They wanted to achieve the fulfilment of the Socialist programme, and they wanted, also, to increase to the fullest possible extent the resort to municipal employment, and the transformation of the corporation into the *rôle* of not only model, but universal, employers in the special interests of the labouring classes of the city.

The Stalwarts.

Thus there appeared on the Glasgow Town Council a Socialist and Labour party, the members of which (trade union secretaries and others) became known as "The Stalwarts," though "municipal enterprise," of course, existed in Glasgow long before the Stalwarts developed into an active force. Concerning this party Mr. J. Connell has said, in a booklet entitled "Glasgow Municipal Enterprise," published in 1898 by the Glasgow Socialist organ, the *Labour Leader* :—

The evolution of modern Glasgow is largely due to economic causes operating blindly. This is the most cheering of all facts with which we have to deal. It means that the laws of Nature are fighting on the side of Socialism. In recent years, however, a number of men have become prominent in Glasgow municipal life who perceive the goal towards which the city is moving, and endeavour to get the people to consciously direct their efforts towards the end which is, in any case, unavoidable. Some of the men in question are members of the Town Council and some are without it. Those who are within are called "The Stalwarts." . . .

It is true that the men named do not see absolutely eye to eye at all times. It is too much to expect them to be free from fads and the influence of old associations. As far, however, as the present writer has been able to ascertain, they never disagree on essentials. When battle is threatened against the interests of the people, they present an unbroken front to the enemy. Behind them is an organization which promotes their candidature at election times, and helps to secure their return. Each year it formulates a programme to which the candidates are obliged to signify their adhesion before being adopted. The name of the organization in question is the Glasgow Workers' Municipal Election Committee. It grows yearly in numbers, and the time cannot be far distant when it will dominate the town council.

The constitution of this committee was revised in February, 1901. The delegates now forming it represent the United Trades Council, the local trade unions, the Co-operative Municipal Election Committee, the United Irish League, the Independent Labour Party, and the Social Democratic Federation. The following extracts from the revised constitution will show the objects and method of working of the committee :—

(1.) Objects.—To secure the election of direct and independent representatives of the industrial classes on the Glasgow Town Council, pledged to the extension of the policy of municipalization under equitable conditions of labour, and the economic and efficient administration of civic affairs; to provide the workers with a means of education in municipal problems.

(2.) Programme.—Subject to the policy laid down in Clause 1, the programme may be modified or amended by a majority of the members at a special meeting held during the months of August or September.

(3.) Organization.—One central committee on which none but accredited delegates shall sit, and local groups in the various wards open to all citizens who accept the objects and programme.

(4.) Delegates.—All trade unions, co-operative societies, Socialist parties, branches of the United Irish League or any approved working class organization are entitled to two delegates for each branch; all councils and committees or federations of the above may send such number of delegates as the committee may decide to accept; all workers' ward groups conforming to the conditions of Clause 3 are entitled to two delegates.

(16.) Endorsement of Candidates.—The names of candidates for the town council shall be submitted to the central committee by the delegates of the groups of the wards to be contested at least a fortnight before the date of nomination, but the central committee retains the right to withhold its endorsement or to take action independently of the ward groups if in its judgment such group is not doing its duty. Any affiliated organization opposing or declining to assist a candidate endorsed by the central committee may be excluded.

(17.) Candidates' Pledges.—No candidate shall have the support of the committee who does not accept and pledge himself actively to support the programme of the committee for the time being. Candidates are expected to make known to the committee on formal request from the secretary all donations which may have been made to their expenses outside of the committee's fund. Candidates are also required to pledge themselves that if elected to the town council they will act with the workers' party in the council to carry out the programme of the committee, and if they decline to carry out these pledges their failure or refusal to do so shall be reported to the next succeeding meeting of the committee.

The programme of the Glasgow Workers' Municipal Election Committee varies from year to year, but as a sample of their demands we may take the programme and manifesto issued by them in view of the municipal elections of 1901. There were 15 items on the list, and among the innovations they desired to introduce in the administrative system of the town council were the following :—

All corporation *employés* to have a *maximum* working week of 48 hours, with trade union wages. Full liberty of combination as trade unionists, co-operators, members of friendly societies or other kindred organizations to all persons in the service of the corporation, and the right to be represented in all negotiations by their accredited officials; preference in the matter of employment to be given to ratepayers, through the agency of the labour bureau.

The direct employment of labour by the establishment of a works department to carry out, wherever possible, all industrial enterprises undertaken by the council. Where contracting is unavoidable that the conditions be:—No sub-contracting, and the observance of trade union hours and wages.

The better administration of the Common Good fund, so as to make it available for the use of the citizens in times of industrial depression.

With a view to relieve the congestion of the population, the town council to erect people's dwellings beyond the city boundaries, to be let at such rentals as will meet cost of erection and maintenance.

With a view to stamp out consumption and to prevent the spread of infectious diseases the milk supply to hospitals and infirmaries to be from cows owned by the corporation, guaranteed to be free from tuberculosis, and kept under the best sanitary conditions.

Under the head of "Legislative" it was proposed to advocate that powers be obtained from Parliament (among other things) to municipalize the liquor traffic, to tax and appropriate land values for the benefit of the community, to acquire and work coal mines, to supply coal to householders, and to establish municipal banks.

This, with variations from year to year, has been the general programme adopted by the various interests represented by the committee; but the co-operators, whose societies claim membership of 40,000 in Glasgow, also watch matters in which they are specially concerned, while the central municipal committee of the Glasgow branches of the United Irish League has among its own particular objects :—

1. To promote the return to the town council of candidates approved of by the central municipal committee of the U.I.L. in Glasgow, and in particular to secure the return of Irish Nationalist candidates.

2. To encourage the thorough organization of the Irish people in Glasgow for municipal electoral purposes by attending to the work of registration in the various wards of the city.

It is further intimated that—

No candidate will receive the approval or support of the central committee unless he be recommended by the branch of the U.I.L. in the ward for which such candidate may propose to contest.

These details will convey some idea of the organization by means of which the "Stalwarts" hoped to capture the Glasgow Town Council in the interests of their programme. Comprehensive as that programme is, there were other things besides which had been either already secured or were kept in view. Thus the author of the booklet on "Glasgow Municipal Enterprise," after setting forth what the corporation had already accomplished, goes on to say :—

In addition to entering on the enterprises enumerated the corporation has adopted the principle of many other reforms. For instance, the principle of municipal fire insurance was adopted two years ago. At present only corporation property is insured, but the object of the Labour party in the council is to extend the principle to property of all sorts . . .

Two years ago there was also carried unanimously a resolution in favour of municipal banking. In October, 1898, a committee appointed to inquire into the matter reported in favour of applying to Parliament for power to issue corporation notes, and also to establish deposit and lending banks. A proposal to establish municipal pawnshops has also been mooted.

In October, 1898, a Bill for the taxation of land values was adopted by the town council and ordered to be presented to Parliament. . . .

There has been some talk lately of establishing municipal bakeries, but in this connexion the Labour party finds itself in a difficulty. A very large and increasing proportion of the baking trade of Glasgow is in the hands of the co-operative societies, and it is feared that any attempt to oust them would be resented by the co-operative voters, who number about 30,000, and are at present enthusiastic supporters of the Labour party.

A matter which is coming very much to the front of late is the municipalization of the drink traffic. . . .

A works department on the model of that of the London County Council is in contemplation. At the present time (November, 1898) there is £2,000,000 voted by the council to be spent on erections of various sorts within the next year or two. This alone would be sufficient to give such a department a very good start.

One of the latest recruits to the Labour party in the council, Dr. Erskine, proposes municipal sanatoria, and, in fact, favours the municipalization or nationalization of the whole medical service of the country.

In addition to the above municipal workshops, municipal foundries, municipal telephones, and many other municipal concerns are talked about. In fact, Socialism is in the air, and its bitterest enemies acknowledge as much.

One need not stop to discuss all these various proposals, but in regard to that for the issuing of corporation notes, the nature of the scheme is sufficiently indicated by the fact that the notes were to be payable on demand up to the amount of £500,000, but the corporation were not to be required to have on hand, in gold and negotiable securities, more than one-half of the amount of the total issue current. Not only was this scheme brought before the council, but 17 members out of 45 voted in favour of adopting it. As for the question of land values no less important a person than the Lord Provost himself

has declared that " ' pure logic ' carried them a great deal further than the mere taxation of land values. It entitled them to appropriate them. But it was not always prudent to put forward their ultimate aims." The " municipal workshops " referred to were understood to include separate corporation departments for tailoring, printing, engineering, saddlery-making, masonry, and bricklaying.

Put into four words, the aim of the Socialists was, in effect, " the municipalization of everything," and how far this aim has been carried out in the Glasgow Town Council—not, of course, by the Stalwarts alone, inasmuch as they have always been in a minority, but by the general body of the members, themselves already favourably disposed towards " municipal enterprise " in every shape and form—is indicated somewhat by the list already given of Glasgow's municipal undertakings. But the most significant item of all is that which concerns direct employment. So far has this inevitable sequel of " municipal enterprise " been developed at Glasgow that there are no fewer than 13,000 persons in the employment of the corporation of that city. In fact, next to showing fidelity to the official programme of his party, the Stalwart's main function has been, first of all to secure municipal employment for his friends and supporters, and then to see that they get " model conditions." On one occasion a retiring Stalwart openly boasted that he had obtained situations for 20 or 30 of those who had supported him, and he asked for the votes of others on this ground. One can understand how such an argument would appeal to the working-class electorate of Glasgow, for so far back as 1898 Mr. Connell was able to write :—

> The wages paid by the Glasgow Corporation, taken all round, will compare favourably with those paid by any other municipality. Even the Stalwarts are half afraid to fix them very much higher than those paid by outside employers, and at present favour reduction of hours rather than further increase.

Municipal employment thus became a very tempting bait to dangle before the Glasgow electorate, and municipal enterprise was naturally regarded in the city with very great favour indeed by those who had everything to gain from its still further expansion, while it was the merchants, tradespeople, and others who had to pay the bulk of the cost.

Then it may be mentioned, in passing, that at Glasgow, as in various other municipalities, the corporation *employés* have their own trade union and seek both to influence the local elections and to force the authorities into yielding such terms as they may desire. Thus there is a Glasgow Corporation Workers' Union, which has for one of its four objects, as set out in its Rules, " to secure the return of Labour men to the Glasgow Town Council and other public bodies." In other words, the members are to help to elect only such individuals as will give them the conditions set forth in the Labour programmes already mentioned. The leaders of the union evidently think that their tactics may be open to criticism, for in Rule 15 they say :—

> Any member reported for discussing the affairs of the society, or criticizing any of its officers outside of meetings, or giving information to its opponents, shall be called before the executive and fined for the first offence, and expelled the society for the second offence.

As the union seems to be so particularly anxious to maintain secrecy concerning its aims and operations, it may interest readers of these articles to know that the Glasgow Corporation Workers' Union was formed in May, 1901, that it is composed mainly of men in the cleansing department, and that it has kept up almost continuous agitation, in one form or another, since it was started. It began by objecting to the wearing of certain uniform, and within a year it had two strikes. One of these lasted a day only, but the other continued four days, 1,350 men leaving work in order to compel the corporation to make certain concessions set forth in a petition which was presented. So for these four days the cleansing of the city of Glasgow was left in the hands of a few officials. Then the men got some of the things they asked for, abandoned other of their demands, and went back to work. But, while ready enough to profit by what the union did, they were decidedly backward in giving it their financial support, for the strike has left a deficit in the society's funds of £30, and it is to be feared that this amount will hardly be made up by the imposition of fines on those who may be suspected of giving information to outsiders.

The Citizens' Union.

The growth of the Socialist party on the Glasgow Town Council, the increasing acceptance of Socialist or semi-Socialist ideas by other members of that council, the expansion of the public burdens, and the fear of developments still more serious to follow, led to considerable uneasiness arising among the better class of electors, but the crisis was not reached until early in 1898, when a resolution brought before the town council that that body should send two of the most extreme of its Socialist members to represent the city of Glasgow at a Socialist conference in an English town was lost by only about two votes. That Glasgow should have had so narrow an escape from a procedure which would have been to her lasting discredit filled with alarm the minds of certain leading citizens, who thought that the time had come to take active steps " to secure the selection of suitable persons to the Glasgow Town Council, and to further the good government of the city." The result was the formation in May, 1898, of a Citizens' Union, which began at once an active campaign on the lines just indicated. Established on a non-political and unsectarian basis, the Union succeeded in enrolling the sympathies and support of people of all parties and creeds, it embraced representatives from every ward in the city, and it arranged a network of organization which soon became an effective force in municipal life. There was some difficulty at first in getting suitable men to come forward as candidates for the council, notwithstanding the immediate and effective support offered by the Union. So much had the " tone " of the council deteriorated, and so great was the demand made on the time of the members by the almost endless number of enterprises undertaken, that men of repute and business standing shrank from offering their services, and in the early days of the movement it sometimes happened that deputations waited on a very large number of persons before desirable candidates could

secured by the Union. But with the cordial co-operation of the existing ward committees the Union gained at the polls a series of triumphs which brought about something akin to a municipal revolution in the city.

At the town council elections in 1898 the Citizens' Union effected the defeat of two leading members of the Socialist party and the return of four of the seven Union candidates, while in the parish council elections of the same year 16 of the 21 candidates favoured by the Union were elected ; so that, as a local paper defined the situation, " For the first time since they essayed the capture of the municipal fortress, the Stalwarts find themselves laid low. They have failed, and failed disastrously." In 1899 the Stalwarts recovered two of the seats they had lost ; but in 1900 four of their six candidates were unsuccessful ; and in 1901 the Union gained its greatest victory of all by defeating no fewer than seven of the Stalwarts, including such notable members of the party as Mr. Shaw Maxwell and Dr. Erskine.

It may be added here that in addition to the part it has taken in the municipal elections of Glasgow, the Citizens' Union has also done good work by issuing a small " Year-book," various leaflets, and other publications, by arranging for free lectures on municipal affairs, and by otherwise arousing among the citizens a greater interest in local questions. The result of its operations has been to produce some very substantial changes in municipal conditions in Glasgow, and there is every indication that the Stalwarts will never again be the power in the city that they have been in the past.

A Blank Cheque for £750,000.

But though the Socialists have received what a prominent sympathizer with them has called " a set-back in Glasgow," an end has not yet been put to the extravagant and ill-advised schemes with which the council have been associated. In February last it became known that the Glasgow Town Council intended to lodge a draft provisional order for waterworks, &c., in which powers were also sought to buy 50 acres of land for houses and other dwellings, with or without shops, to accommodate the poorer or labouring classes, or for other persons of these classes ; to borrow, for this purpose, £750,000, and reborrow any part of this sum that might be repaid ; and, also for this purpose, to impose on the city an additional assessment of 1d. in the pound. There was no indication as to where the land would be bought, what special type of houses or shops would be built, and what particular class of persons would be housed. In recommending the scheme to the town council in the first instance the Lord Provost frankly avowed that he could not give them any information on these points, and the *Glasgow Herald* of February 18, commenting on this remarkable position, said :—

> We are to pledge the credit of the city in order to borrow £750,000 for this vague and indefinable purpose, and we are to burden the rates with interest and sinking fund on the debt. Where is this kind of thing to end? It is the curse of municipalities that they are able to borrow too easily. The Municipality of Glasgow has far too many irons in the fire—too many faddists in its council chamber. The municipal debt is growing at a portentous rate, and in the name of economy and common sense a protest must be made against the addition proposed on it by the Improvements Committee.

Practically the effect of the proposal in question was that the corporation were to have a blank cheque for £750,000 to do what they liked with in the way of building speculation, and in view of their previous doings in that direction it is not surprising that some very strong protests were raised.

The first note of alarm was sounded by the Citizens' Union, which met and passed a resolution demanding that the provisional order should not be proceeded with until a local commission which was then being mooted for the purpose of inquiring into the whole subject of the housing of the poor had had time to make its investigation and to report. The attitude taken by the Citizens' Union on the general question is, it may be mentioned, that there is in Glasgow a mass of destitute and semi-destitute poor who, for the sake of the health of the city, must be dealt with, but that hitherto the corporation have left the lower depths of the population alone, and have sought to house only those for whom private enterprise, if not unduly interfered with, could very well provide. The Union is quite prepared to approve of provision for these lowest classes of all becoming a charge upon the rates, if necessary, but it does insist most strongly that municipal effort should be confined exclusively to this lowest level, which private enterprise cannot handle.

The resolution of the Citizens' Union was brought before the Town Council, but though that body agreed to appoint a municipal commission of inquiry into the housing question, it resolved, on April 10, by a majority of 13, to persist in its building scheme all the same. Much agitation in the Press followed, and on April 30 a special meeting of the Glasgow Chamber of Commerce was held, at which from 600 to 700 of the leading business men were present, and an especially vigorous speech was made by Mr. Arthur Kay, a report of whose remarks, in pamphlet form, was afterwards sent out broadcast by the Citizens' Union. The holding of this meeting was followed by the signing of a petition against the provisional order by 900 of the leading business firms and owners and occupiers of property in the city. The petition said, among other things :—

> The property of your petitioners and of other ratepayers should not be rendered subject to unlimited assessment to enable the corporation to carry on the business of builders, or for providing houses for any section of the community, whether these are provided at a loss or a profit. It is manifest that if this power were granted it would be competent for the corporation, at the expense of the general body of the ratepayers, to provide house accommodation free or at a nominal rent to many thousands of the community.

The Glasgow and South-Western Railway Company presented a separate petition to the Secretary for Scotland, in which they pointed to the good work the railway companies had themselves done in Glasgow in the way of clearing away insanitary property, making new streets, and rebuilding on large portions of the areas at a considerable outlay ; they showed that, according to the census of 1901, there were in that year 7,225 unoccupied houses in Glasgow, and that the existing powers of the corporation were not nearly exhausted ; and they urged that no further taxation should be permitted " except there is a clear and absolute

necessity for it in the interests of the community as a whole."

There was, too, a petition presented by the Glasgow Landlords' Association (Limited), which represents seven-eighths of the whole of the house property of Glasgow. In this petition it was stated :—

The corporation, as improvement trustees, and under their powers for street improvement and other purposes, are already owners of large blocks of dwelling-houses, shops, warehouses, and business premises, yielding over £100,000 of gross rental per annum, and which show a profit of about £2 17s. per cent. These properties are being constantly added to in number and are all retained in the hands of the corporation, who have become large traders in houses and other buildings.

The corporation are thus in active competition with private proprietors, and, so far from setting any practical example which will assist in solving the question of housing the masses of the population, have not only, as they themselves admit, failed to provide accommodation of the class required for the poorer classes, but are seriously accentuating the difficulty of housing them by driving private industry and capital out of the field.

Your petitioners are humbly of opinion that the corporation should be compelled, as provided in the Housing of the Working Classes Act, 1890, Sec. 12, to dispose of the lands they acquire to builders under suitable restrictions, ensuring the erection of cheap dwelling-houses, and thus relieve the public rates of building speculation, and they should, at any rate, be compelled to sell all property other than dwelling-houses exclusively for the poorer classes.

Petitions were also presented against the scheme by the Caledonian Railway Company and other bodies and interests. The latest development in the matter is that the following motion came up for discussion at the meeting of the council on October 2 :—

That it be an instruction to the committee in charge of the provisional order promoted this year by the corporation to withdraw the clauses relating to the borrowing of £750,000 for building purposes, pending the inquiry and report of the Municipal Commission on the Housing Question.

There was an alternative motion that the sum should be modified to £250,000, but eventually the "previous question" was carried by 39 votes to 21, one member declining to vote.

In its issue of July 2, 1902, the *Scotsman* said :—

Glasgow has the most sublime corporation in the world. It would be rash to call this in question, for the corporation itself has said it. Again and again the world has heard of the greatness of the Glasgow municipal body. It has gone into fields into which other corporations have not ventured. It has carried out schemes which other corporations have looked at askance. It has never lost an opportunity of setting itself above all other municipal bodies and even above the ordinary law of the land.

Unfortunately, too, the example set by Glasgow has led the local governing authority of many a smaller community to attempt to attain, so far as it can, to heights of equal sublimity and greatness. Glasgow is, indeed, more responsible than any other city or town in the United Kingdom for the spread of those various forms of municipal "progress" which have been developed by the New Municipalism. But in face of the revolt of her best class of citizens, there is less rashness in an outsider venturing to call into question her right to the municipal pinnacle on which she has set herself. In any case the other communities which she has thought to impress may well pause to consider whether, in view of all the facts set forth in this and the preceding article, the "municipal enterprise" of which she is the most conspicuous example has been so brilliant a success, and is, after all, so worthy of imitation as its advocates would have us believe.

XIV.

(THE TIMES, OCTOBER 13, 1902.)

WHERE MUNICIPAL MANAGEMENT DOES NOT PAY.

The borough of Halifax ranks among the advocates of municipal enterprise as one that is very much up to date. The corporation control the water, gas, and electric lighting supplies, and also the tramway services ; they have public baths and a municipal slaughter-house ; and they have just obtained authority to sell electrical fittings (in addition to the gas stoves they have previously dealt in) ; to establish a municipal telephone exchange at a cost of £13,500 ; to set up a thrift fund for corporation servants ; and to become common carriers by arranging a goods service in connexion with the tram cars, together with the carriage, also on the tramway, of stone from private local quarries to the railway termini. Altogether municipal enterprise could not be carried very much further in a provincial town of only modest dimensions.

Unfortunately, there are one or two drawbacks to the situation, even from the point of view of the municipal trader, for the so-called remunerative works already established by the corporation have one and all ceased to produce any revenue—at least for the time being—and the local debt has gone up to nearly £3,000,000.

One point in regard to this debt is deserving of special mention. The fact may have been already noticed by those interested in municipal matters that there is a growing disposition on the part of corporations, when the charges for sinking fund become heavier (which they do at the latter period of the term of repayment), to apply to Parliament for sanction to consolidate the loans, by which means they not only extend the average term of repayment, but recommence the repayments to the sinking fund on the *minimum* scale, and thus considerably prolong the period for the redemption of debt. By means of so cleverly devised a scheme as this Halifax has reduced her charges on loans by £15,000 a year. These savings, coupled with the continuous fall of the rate of interest on borrowed money until the outbreak of the war, and the absorption of the reserve funds accumulated by certain thrifty committees, all presented devices by which the craze for municipalization had the false glamour of being carried out without additional cost to the ratepayer, on whom, however, the full weight of the heavy expenditure began to fall when these financial expedients were exhausted. The burden became heavier still as further liabilities were incurred, and the rate of expenditure is sufficiently indicated by the fact that, whereas so recently as 1900 the council obtained additional borrowing powers in respect to a sum of £573,000, they

have this year secured authority to raise a further £600,000.

So, too, it comes about that the borough rate has increased 10d. in the pound since last year, or 1s. 2d. in the pound in two years, while in some quarters it is argued that the rate ought to be at least another 6d. in the pound if the town is to pay its way. When the last rate was made, in March of the present year, the chairman of the Finance Committee stated that the amount required was equal to a rate of 7s. 4¾d. in the pound. Instead of levying a rate for the whole of that sum, he proposed to take £8,550 from a fund set aside in 1874 for reducing the cost of the town-hall, the amount of such fund being £20,000. In this way a still further increase of the rates was staved off for the time being. In addition to the heavy rates per pound, the local properties are assessed "up to the hilt"—that is to say, up to within 15 per cent. of their rental, which is the *maximum* allowed by law; and, there being no hope at present of anything being got from the municipal enterprises in relief of the rates, the only immediate prospect is that next year the demands on the ratepayers will be even heavier than they are already. The increasing financial obligations are already telling to the detriment of the local traders and manufacturers, who are expected to be quite content because prosperity awaits a future generation of burgesses, when the cost of the undertakings on which the town has embarked has been paid off; but there are some among them who argue that, if posterity is to be provided for, it might and should be done without imposing such heavy burdens on the people of to-day.

The causes which have led to this situation are specially instructive because, in the first place, the case of Halifax shows what may happen when a comparatively small town embarks on a variety of municipal undertakings on a scale which may seem to add to the standing and importance of the place, but is altogether in excess of its reasonable requirements. It need hardly be said that in this tendency is to be found one of the greatest dangers in the whole system of municipal enterprise as it exists at the present day.

Non-remunerative Speculations.

There was a time in the history of the Halifax municipal tramways when they were said to pay. This conclusion was arrived at mainly by calculating only ordinary expenses, putting down to street improvements any widenings carried out in the interests of the tramways, and allowing nothing for depreciation. The stock and equipment were new, the expenses were small, sinking fund and interest were provided for, and a small surplus was then left out of the earnings; but, apart from the cost of the street widenings, if 3¼ per cent. per annum on the capital expended had been allowed for depreciation, there would not have been one penny for sinking fund, interest, or so-called surplus.

Under no system of municipal bookkeeping, however, would any one venture to suggest that the Halifax tramway system is making a profit now. The reason is that, instead of contenting themselves with tramways in main thoroughfares within the borough, the corporation have not only laid lines along certain routes in the borough where they are not required, but are also running cars at a dead loss to places as far as three or even five miles from the borough boundary. For instance, half way between Halifax and Bradford there are two places called Queensbury and Shelf. The Halifax authorities were afraid that Bradford would tap this district with her tramcar system, and they accordingly extended the Halifax lines there, "so that the local residents should have an inducement to come to Halifax to do their shopping." The late cars from these places to Halifax return practically empty. At a recent meeting of the town council it was resolved to extend the tramway lines from Halifax to Hipperholme and also to West Vale. Both of these places are outside the borough, but the proposed extension has been justified by the chairman of the tramways committee on the ground that they had nearly £30,000 worth of remunerative stock (rails and poles purchased when prices were low) lying idle and deteriorating for want of using, while capital and interest were being paid on them. The new lines would use up this old stock, and he argued that they would pay, though on this point the discussion in the council showed a difference of opinion. Should the extensions be a loss, this will fall on the ratepayers of Halifax, and in no way on the residents in the localities benefited. Then, instead of concluding, as they might well do, that for a town of only 106,000 inhabitants the existing tramway system is already in excess of requirements, the corporation have the idea that the reason the single lines of tramway are not patronized sufficiently is that the service is not quick enough. It is proposed, therefore, on certain routes where the single lines do not pay, to try to make a profit by doubling them. For the year ended March 31 last the tramways showed an admitted loss of £314.

So at Halifax there is no relief given to the rates from profits on the tramways, and some of the ratepayers even complain of those tramways as the very ruin of their businesses. Not long ago one of the local newspapers collected the views of a number of shopkeepers along the tramway routes, and learned that the tradesmen were suffering a substantial falling off in their receipts because the tramways carried past their doors the people who once dealt with them.

In 1897-98 the waterworks committee were able to contribute £10,471 in reduction of rates, but this year they want £1,500 from the rates. One reason is that the corporation have purchased all the farms in the drainage areas of their reservoirs, and, instead of contenting themselves with having the farms put in good sanitary condition, thus avoiding possible contamination of the water supply, they have ejected the tenants, demolished the farmsteads, reduced the farms to a prairie condition, and changed a rate and rent paying investment into a dead charge. In addition to this, new works are being undertaken which will cost something like £150,000. It is true that during the exceptional drought of last year, which had not been equalled in Halifax for a period of 40 years, there was a certain shortage, but this year there has been an abundant supply, and the prospect of further shortage is remote. But, even on the assump-

tion that such a possibility ought to be provided against, it is argued that the provision being made is extravagant and far in excess of any reasonable requirements. In any case it has been intimated that a 4d. rate will be needed in aid of the waterworks, and that further profit thereon must not be expected for another ten or 15 years at least. It does not, of course, follow that profit should be made on water supply, but the point of interest in connexion with Halifax is to see how it is that so-called remunerative works which are regarded as a set-off to the debt of £3,000,000 have become unremunerative.

The Gas Works Committee declared a profit two years ago of £18,000. In the following year the profits showed a falling-off by £14,000, owing, as was represented, to the rise in the price of coal. For the year ended March 31 last the Gas Committee estimated a profit of £376. The accounts show that not only have they failed to gain this very modest sum, but there is an actual loss of £13,196. This deficit, however, has not been made up from the rates, but debited against future profits of the gas works. Surplus profits are appropriated in reduction of rates ; but provision for deficits is inconvenient, and therefore deferred. That the profits should have disappeared is not surprising, however, when one learns how the gas works have been conducted. For the year ended March 31 last the amount spent on capital account reached the huge total of £82,481, this being in addition to heavy expenditure in previous years, out of all proportion, it is declared, to the increased demand for gas. Then a sum of £8,400 was spent on a water-gas plant, the maintenance of which has since cost from £5,000 to £6,000 per annum, but all this ranks as a dead charge upon the revenues of the gas committee, and forms one of the main reasons for the transformation of a once respectable profit into a serious loss. Notwithstanding the large outlay already incurred on capital account, power was sought in the Bill recently passed to borrow £100,700 for contemplated extensions of the gas works. There was a sum of £10,000 which had been accumulated by the committee for gas works renewal purposes, but when the corporation were looking round to see how they could scrape money together to avoid the public criticism which follows an increase of rates, they came across that £10,000 and commandeered it. So the committee lost their very small nest-egg, and this was the more unfortunate because, although the gas works now represent an invested capital of £635,846, the only provision allowed for depreciation is a sum of 1 per cent. assigned to the sinking fund from the revenue account.

The policy of spending such large sums in gas works extensions is the more open to criticism because the corporation also control an electric lighting department, which seems to have a much more hopeful future than the gas works, inasmuch as the Yorkshire spinning mills and other industrial concerns in the district greatly prefer the electric light to gas, of which many of them use as little as possible. So there are two departments under the one corporation which are practically rivals, and this fact has led to an especially curious development. The Gas Committee have charge of the public lighting, on which about £13,000 a year is spent, and the committee propose to effect, as they calculate, a saving of £200 a year by getting rid of a number of street arc lamps, for which special electric light cables have been put down, and fixing gas lamps with incandescent burners in their place. That such a proposal has hurt the feelings of the Electricity Committee can be readily imagined. But that department has itself been no greater financial success than the others ; for, though two years ago the Electricity Committee handed over £2,000 in alleged reduction of rates, they have recently had to meet charges amounting to £3,527 on the revenue for interest and sinking fund, and can relieve the rates no longer. Whereas, in fact, the Electricity Committee estimated a profit of £2,070 for the year ended March 31 last, all the profit they now actually claim on the 12 months' working is £681.

On the four trading departments represented by gas, water works, electricity, and tramways, the net loss on the estimates for the year 1901-02 amounts to £13,074, and even then the dwindling profit of the Electricity Committee and the actual loss of £314 on the tramways are reckoned on the basis of no provision being made for depreciation or renewal fund, notwithstanding the fact that the engineer of each department reported that such provision ought to be made.

Halifax has also a municipal cemetery, on which the capital outlay has been £18,000. The expenditure for the year ended March, 1902, including £421 for interest and sinking fund, was £997, and the income was £484. For the same year the Park-road baths cost £888 to keep up, and they brought in £415 ; and the Woodside baths cost £1,104 and brought in £567. The stone and sand sold from the corporation quarries brought in £4,624, but the wages paid to the workmen amounted to £4,730, and other items raised the total expenses to £5,353.

The Constitution of the Council.

When, therefore, the question is asked whether municipal management pays, it is clear that the only answer to be given in regard to the borough of Halifax is that it certainly does not, and the facts already mentioned will suggest, what is actually the case, that commercial undertakings are being carried on there by the corporation, at the cost of the ratepayers, with far too great a lack of commercial discretion, or even of common commercial ability.

Here we come to the second chapter of the story, and it is no less instructive than the first.

The municipal elections at Halifax are conducted strictly on political lines, and the predominant force is that of the combined Radical and Labour or Socialist party. Whatever his capacity for the management of municipal undertakings, a Conservative employer of labour would now have practically no chance of getting returned to the Halifax Town Council. As it is, there are in that council of sixty members about a dozen men of means, or possessed of skill in the management of important enterprises ; but, with the exception of these, as a leading resident put it, " there is not one whom a commercial firm would take into its employment for any really responsible position. They are," added this authority, " mostly busy-

bodies who have attracted attention, or the nominees of some special interest, but they are men who have probably never had to deal with any substantial sum of money in all their lives. They will haggle over the price of a few shovels, because they do know something about shovels, but they will pass almost without criticism schemes involving thousands or hundreds of thousands of pounds, because they have no conception of big figures. When it was proposed to borrow another £600,000 (of which nearly £200,000 had already been spent in anticipation) for new tramways and other things, the scheme was agreed to after a ten minutes' discussion, without any real criticism at all. Such men have no sense of proportion. They do things on too big a scale, or they let things be managed by officials who are mostly interested in the expansion of their own particular departments."

These were strong criticisms and seemed to call for investigation, notwithstanding that the facts and figures given above were almost sufficient confirmatory evidence in themselves. And investigation brought to light some still further interesting points. Thus there exists at Halifax a Municipal Workers' Committee, which is formed of two representatives from each of 20 or so of the local trade unions, with nine representatives from the Independent Labour party. The special province of this committee is to get on to the town council, the school board, and the board of guardians as many Labour members as they can, while it is the special province of such Labour representatives to municipalize as much as they can; to secure as much "direct employment" as may be possible for those who elect them; to see, in the case of the board of guardians, that a generous scale of relief is given; and to make absolutely certain that on each and all three bodies "trade union conditions" are strictly enforced in the giving out of contracts. This committee is financed by local levies in the case of some of the trade unions and by contributions from others, and one may be certain that those who pay the levies or contributions do not do so from feelings of local patriotism only, but look for substantial benefits in return. The programme of the committee is officially stated to be "Uniform penny tram fares, municipal coal, telephones, &c., and usual Labour items." Municipal employment is not expressly mentioned, but it is included in "usual Labour items."

To what extent such employment has been actually obtained is shown by a return which gives as follows the number of persons employed by the Halifax Corporation:—Gasworks, 510; electricity works, 103; waterworks, 117; tramways, 283; highways, 244; health, 217; lighting, 59; parks, 47; markets, 10; technical school, 10; libraries and museums, 17; fire brigade, 5; weights and measures, 2; bonding, 2; town-hall staff, 70—a total of 1,695. Not only does this mean that a considerable body of the local residents are in the pay of the corporation, and personally interested in the expansion of municipal enterprise, but it also means that in the local elections such a body might exercise very considerable influence to the advantage of themselves and their friends rather than to that of the general body of ratepayers.

The Halifax Municipal Workers' Committee carries on its propaganda in conjunction with the Halifax and District Trades and Labour Council, which in its last annual report says:—

> Regarding local labour representation the successes of 1901 have been very great indeed, and, though your council may not have contributed to the same, still, indirectly, the work in which we engage month by month has done much to impress the delegates, and afterwards the members they represent, with the absolute necessity of being fully represented on local governing bodies.

The successes gained were—seven seats on the town council (including one member who calls himself a Radical, but who generally supports the Labour party), two on the School Board, and two on the board of guardians, on which body there are, in addition, two direct representatives of trade friendly societies, their special mission on the board being to resist the action of that body in taking into account, when giving outdoor relief, the amount already being received by the applicants from their trade unions.

On the town council the Labour members are able to exercise an influence out of all proportion to their number. They get themselves spread over different committees where they can help to shape the policy of the council, and in the council itself they can decide a question whichever way they please when the votes for and against are otherwise fairly equal. Not only this, but, as a party claiming to represent the working classes, they can bring a moral pressure to bear on other members of the weak-kneed type, who are not themselves enamoured of their ideas, but nevertheless give way to them.

One of the most prominent of these Labour members is president of the Halifax and District Trades and Labour Council, local organizing secretary of the Independent Labour party, and a delegate of that party on the Labour Representation Committee, the headquarters of which are in London. On the Halifax Town Council he is vice-chairman of the Waterworks Committee. As a member of the Labour Representation Committee he was present at the second annual conference of that committee, held in Birmingham on February 20, 1902. There was proposed at the conference a resolution which urged upon all trade unions and other labour organizations the desirability of affiliating with the committee, and of providing funds and candidates "for the purpose of securing Labour representation on all local and national governing bodies." To this the Halifax councillor moved as an amendment that the word "Labour" should be struck out from the passage quoted, and "trade union and Socialist" inserted instead, making the resolution read, "for the purpose of securing trade union and Socialist representation on all local and national governing bodies." The amendment was seconded by Mr. J. Bruce Glasier (Independent Labour party). The official report goes on to say that—

> J. Ward (Navvies) pointed out the seriousness of the alteration. In spite of 20 years' agitation, many workmen had only a vague idea of what Socialism was. In the interests of Socialism the change should not be made. It would do the committee a great deal of unnecessary harm.

The committee preferred the wisdom of the representative of the navvies to that of the vice-chairman of the Halifax Water Committee, and rejected the amendment.

The same member also takes an interest in the Socialist Sunday school movement, and in the *Young Socialist* for June last there was an article by him on the Halifax Socialist Sunday school. In this article he described the lines on which the school in question is conducted, spoke of the part which he himself takes in its management, and went on to say :—

We believe we are doing a good work, and are convinced that there is a wide field and a splendid opportunity to help the Socialist movement, and to generally uplift the race by taking care of the children and inculcating the truths of altruism and Socialism into their minds while they are still young.

Of the other Labour members on the Halifax Town Council, one, an industrial insurance agent, is a vice-president of the Halifax and District Trades and Labour Council ; another, a working ironfounder, is on the executive committee of the Trades Council ; and still another, by trade a blacksmith, is corresponding secretary of the Trades Council, and also a very active member of the Independent Labour party.

One sees from these facts the close connexion which has been brought about in Halifax between municipal government and the general Socialist and Labour movement, and, in the circumstances, it is not surprising that allegations have been made of an undue readiness to conduct local affairs on Socialist and Labour lines. But, even assuming that this may not have been the case, and that the Labour members and the "political busybodies," who (excepting always the dozen capable men) form with them the bulk of the Town Council, have honestly striven to do their best, can one feel confidence in the possession by individuals of this type of the business experience that would enable them to manage aright such important commercial undertakings as those that the Halifax Corporation have on hand ? For an answer we have only to look to the results of that management as narrated above.

A Halifax Municipal Reform Movement.

The spirit of extravagance which has shown itself on the Halifax Town Council has not been absent from the other local governing bodies, either. It is alleged against the School Board that they have been far too lavish in their expenditure on schools, and, also, that the Education Act never contemplated the giving of instruction in the art of swimming in baths such as the board have added to five of those schools. It has further been urged that the board of guardians could have put up an infirmary for the sick poor at a considerably lower figure than £100,000. So, as a means of protesting against "the extravagant way in which the various public bodies are spending the ratepayers' money," there was brought into existence in September, 1901, a Halifax and District Ratepayers' and Property Owners' Association, which aims at breaking down the party spirit that has hitherto dominated local affairs, and inducing men of more sterling business character to take their part in them. If, it is argued, commercial undertakings are to be carried on in the name of the town, and at the risk of the townspeople, they should at least be conducted by business men on business lines. It is further urged that the whole tone of the local administration is in need of improvement. A subsidiary object is to do what may be possible to secure a Government audit of the municipal accounts. At Halifax the audit is conducted by two elected auditors, who get only £5 or £6 a year each for their services, and a mayor's auditor, whose position is honorary. It is suggested that no one can expect to have borough accounts properly audited on such terms as these, while it would seem that, even when the auditors try to do their duty, their authority is so limited that the audit is little more than a farce. Thus it is narrated of one of the elected auditors that he once refused to approve certain accounts which he regarded as irregular ; but, inasmuch as he had no power of surcharge and no authority to enforce his objections, the corporation felt themselves quite free to take no notice of his scruples.

The Halifax Ratepayers' and Property Owners' Association is still too young a body to be able to show many practical results, and it cannot recall the mischief already done, although it hopes to make its influence felt in the future. But the aims it has in view are such as should meet with general acceptance among the residents of Halifax ; while, in any case, the object-lesson afforded by the borough in its piling up of a huge debt for which it can show only assets that are no longer remunerative is one that can well be presented for the consideration of other communities that are in danger of drifting in the same direction.

XV.

(The Times, October 21, 1902.)

THE HOUSING QUESTION.—MUNICIPAL ENTERPRISE.

One of the principal items on the programme of the more active representatives of the Municipal Socialism of to-day is the provision out of the public purse of dwellings for the working classes. From their point of view this would seem to be the one practical solution of the housing problem, and not only do they make it a leading point in their appeals for the working-class vote, when they seek for municipal honours, but corporations and other public bodies all over the country are taking to municipal house-building with such "enterprise" that, whereas a dozen years ago scarcely any municipality in the country would have attempted to enter on so speculative a business, local authorities engage so readily to-day on housing schemes of one sort or another that, as a certain bailie said at a conference on the housing question held in Glasgow in September, 1901, "Now we can bring forward plans involving from £100,000 to £150,000, and they are passed almost without discussion." In the circumstances, therefore, it is hardly surprising to find that municipal house-building is responsible to no slight extent for the growth in local debt, and ratepayers in any city or town where it has been indulged in to any great extent may consider themselves fortunate if it has not led, also, to an increase in the local rates.

The situation has been further complicated by the enormous increase in the cost of building operations. The general result of a resort to "Ca' canny" tactics in the building trades was sufficiently indicated in the first of the articles on "The Crisis in British Industry," and the statements there made have remained uncontroverted, although the London County Council, for instance, took three months to investigate what was said regarding their own bricklayers. Added to other difficulties in the situation, there is no doubt whatever that "Ca' canny" has brought about a crisis in the building industry at least, especially in regard to workmen's dwellings, whether constructed by municipalities or by independent effort; and the men in the building trades, or in the trades supplying builders' materials, who have gone on the principle of securing the highest wages they can get, and working in return on "go easy" principles, either to suit their own convenience or with the idea of compelling their employers to put on more men, find not only that rents are going up, but that there is an actual dearth of houses. The only suggestion which they and many of their municipal sympathizers can now make, however, is that their wants should be provided for by the local authorities, and, if necessary, at the cost of the community. There is, of course, no idea that the bricklayer and his fellows should do what they themselves could do to solve the problem by keeping down the cost of building construction, either by being more moderate in regard to wages, or, what would be of much greater value, by showing more energy in regard to their labour, thus substantially increasing their output, and decreasing proportionately the bill of costs for building construction.

Apart, however, from financial questions, doubts are arising even among the municipal authorities themselves whether their house-building schemes have really helped to solve the most acute forms of the housing problem, whether they have acted wisely in checking private enterprise to the extent they have done, whether they are not paving the way for having the whole burden of housing the working classes left on their hands, and whether the fact of their becoming the landlords of the bulk of those who elect them may not lead to other problems almost, if not quite, as serious as those that centre in the housing question itself.

One thing, at least, is certain—that local authorities are so heavily handicapped in the carrying out of their housing schemes, and in one way or another incur such heavy expenditure, that unless they fall back on the rates it is practically impossible for them to rehouse those whom they dishouse; because, in order to meet all the charges, they must impose such rents as only the better-class artisans can afford to pay. From town after town one hears the same story; slums have been swept away and municipal buildings have been erected; but the people driven out of the old houses do not go into the new ones. Many of them cannot pay the increased rent; but there is a considerable class which, as Canon Barnett has said, "refuse to live within the restraint of decent houses. When well-built single rooms were offered in Whitechapel at 1s. 6d. per week, the people of the so-called lowest class preferred to pay 4s. 6d. in squalid houses where there was no porter to require cleanly habits and no public opinion in favour of regular ways." So it is that, with scarcely any exception, the municipal housing schemes hitherto promulgated have failed to provide for the wants of the very poor, and to deal effectually with those who live in slums because they prefer them. Thus, it is reported that out of over 5,000 persons ejected by the London County Council from the Boundary-street area only a few became tenants in the new buildings; that Liverpool, after dealing with from 10,000 to 12,000 insanitary houses, and spending over £2,000,000 altogether, got into its new houses only a very small proportion of the people ejected from the old ones; that Edinburgh has spent £150,000 under the Housing of the Working Classes Act, and provided houses so far superior to the slums swept away that the people dishoused either cannot or will not rent them; that Brighton has cleared two insanitary areas, but could not secure the slum dwellers as tenants; that the Birmingham Corporation has had the experience of seeing some cottages it once erected for the poor eagerly rented by well-to-do artisans; that the Darwen Corporation have spent £8,000 on erecting 28 cottages as substitutes for some that were demolished in clearing an insanitary area, but the rents had to be fixed at a higher figure than the ejected people can pay; while at Burton-on-Trent, where £33,000 is being spent by the corporation on cottage dwellings, it is estimated that, when the whole scheme is completed, it will involve a loss to the town of £232 a year.

In most of the places which have taken to municipal housebuilding the avowed principle is that the dwellings are not to involve any burden on the rates. Whether that principle is rigidly adhered to is open to doubt; but the Corporation of Stafford have boldly adopted the theory that the rates can be justly called upon to aid in the construction of workmen's dwellings, and they have established a precedent in this direction without the pretence of dealing with figures in such a way as to conceal part of the cost under some other account. They found that cottage dwellings were wanted for a class of people who could not afford to pay more than 4s. a week for rent, and they resolved to build 31 of such cottages. The rental was not to exceed 4s. each per week, including rates and water-rent, "any sum required in excess of the rental for interest on loan and the provision of a sinking fund to be provided out of the rates." It was argued that the addition to the rent of any sum in regard to these two items would increase it to a figure the prospective tenants could not afford to pay, and that it was not right for the workman to be called upon to pay as rent a sum which would suffice, not only to keep his dwelling in repair and pay the interest upon its cost, but also to purchase it in a period of 30 years. Stafford, therefore, completely abandons the theory that municipal dwellings should not be a charge on the rates, and virtually sets up in its place the principle that those who do not live in municipal dwellings may rightly be taxed in the interests of the privileged class who do.

In the same way Sheffield has given up the idea that a municipality should build only for those who have been dishoused by improvement schemes, or who otherwise belong to the poorer classes for whom there is inadequate housing accommodation. It built a certain number of dwellings for people ejected from the slums—only to find that the said people would not rent them; but a new departure was undertaken when the corporation bought up an estate for the purpose of erecting on it a large number of cottages for superior artisans, clerks, and others. This estate, too, as it happened, is in what had previously been regarded as a "residential neighbourhood," three miles from the centre of the town, and forming the "west end" of Sheffield. The estate in question is, however, situated on a hill so steep that, after buying the land, the corporation found they could develop it only by buying still more to construct a road, in zigzag fashion, after the manner of an Alpine pass, from the crest of the hill to the valley beneath; while when the tramway extensions are finished the estate will still be a mile away from the road at the back of the hill. There is a suspicion in Sheffield that this particular site for artisans' dwellings was chosen by some of the leading spirits on the Sheffield Town Council for the express purpose of a democratic invasion of the domain of Sheffield's wealthiest residents, since there are some valuable properties, not only in the immediate neighbourhood, but also on the elevation facing it on the other side of the valley. One member of the council is, indeed, credited with the expression, "Let's put some up at Ranmoor, and gie 'em a turn." But the corporation reckoned without the host; for, though they got the original site for a comparatively low sum—inasmuch as it seemed scarcely suitable for building land owing to its precipitous situation—they have had to pay a much higher figure for the additional land they wanted for the zigzag road referred to above, while an under-sheriff's jury has assessed them in heavy damages in respect to the consequential injury that will be done to the high-class property in the immediate locality, and the decreased value of the remaining land for the purposes of such property. The corporation appealed against this award, but it has been upheld in the King's Bench Division of the High Court of Justice.

Not only, therefore, have the Sheffield Corporation resolved on a course of speculative house-building for a class of people who might be properly left to be looked after by private enterprise, but they have chosen a site so difficult of access and so far distant from the business and manufacturing quarters that few even of the better class artisans and clerks are likely to want to go there, even if the rents are low, while the cost of land and houses is now likely to run into such a figure that, if the rents are to cover the cost, they will probably have to be fixed at a sum that even the better class of artisans and clerks will not care to pay. Nor does the speculative spirit of the Sheffield Corporation end here. They were left with some vacant land at the corner of Angel-street, owing to certain improvements which had been carried out, and they proposed to build some workmen's dwellings on it. The site was so unsuitable for the purpose, being situated in the business quarter of the town, that the Local Government Board refused their sanction. The corporation then resolved that, instead of selling the land, they would themselves erect shops and offices upon it, borrowing for this purpose a substantial sum from the profits of the municipal tramways.

The Powers of Municipal Authorities.

There are many other phases of the housing problem which have a special bearing on the action of municipalities, but in the present article it must suffice to show some of the disadvantages under which such bodies labour when they embark on building speculations on their own account, and to indicate the steps which various provincial towns or cities have taken to improve the local housing conditions, without incurring unduly heavy financial obligations, and without going to the extreme lengths represented by the Socialist aspirations. Of the general policy of the London County Council in regard to housing, the exertions made by private enterprise, and the checking thereof through municipal competition and other causes, something will be said in the next article.

To understand rightly the position of local authorities in regard to the housing problem in general, it is necessary to bear in mind the various powers possessed by them under the Housing of the Working Classes Act of 1890, in which the various Acts in force at that date were consolidated.

Part I. of the Act renews the powers conferred by the Artizans' Dwellings Acts of 1875 and 1879 for dealing with insanitary areas collectively, and the proceedings which may be taken under it are long, tedious, and costly. To begin with, the medical officer must carefully inspect the area alleged to be unhealthy, and, if such should be his opinion, report to the council that it is insanitary. The council considers his report, and, if satisfied with his judgment, directs that an improvement scheme shall be prepared. When ready the scheme must be advertised for several weeks, notice must be given to every owner, and an answer obtained from him, and a petition must then be sent to the Local Government Board asking for their approval of the scheme, and giving the names of all interested parties who dissent from it. A Local Government Board official then holds a local inquiry, taking evidence and hearing arguments on both sides. After this the Local Government Board approves the scheme, with or without amendment, and grants a Provisional Order, which must be embodied in a Bill and brought before Parliament. Either House may refer the matter to a committee, but the scheme will, presumably, in due course, become law. Meanwhile, the local authority may have been called upon by the Local Government Board to pay not only its own costs in promoting the scheme, but also the costs alike of the Local Government Board itself and of the opposing owners. The course is at last clear for beginning the "improvements," but the carrying out of these will necessitate the purchase of all land, houses, or other buildings included in the area, at a price to be fixed by arbitration if necessary, and the corporation may find itself in the position of having to buy up a quantity of slum property at its rental value, with an additional 10 per cent. for compulsory purchase,

before it can begin the desired clearance. One well-known effect of this procedure is that enterprising persons, anticipating that certain slum property will be declared an insanitary area under Part I. of the Act, will buy it up, and at once increase the rents, the houses being subsequently bought by the local authority on the basis of the enhanced income. Then, unless the corporation or other public body concerned can show to the Local Government Board that there is adequate accommodation available elsewhere, it will be obliged to provide housing accommodation for a working-class population equal in number to that displaced. The plans for these dwellings will have to be approved by the Local Government Board, whose "model regulations" are regarded by local authorities generally as much too stringent and costly, and the loans with which the houses are constructed will have to be repaid within a specified period. So heavy may the initial expenses be in the carrying out of a municipal housing scheme under Part I. that the London County Council has before now been put to a cost of £100 per head for every man, woman, and child who would inhabit the dwellings, before even a single brick was laid.

Part II. of the Act gives power to a local authority to deal with single insanitary dwellings, as distinct from insanitary areas. Here the first step is for the medical officer to report that a certain house is unfit for human habitation, and this may be followed up by the corporation's giving instructions for proceedings to be taken. Plans will be prepared, and the owner of the premises will be called upon to put them in proper condition. Should this not be done, application may be made to the local magistrates for a closing order. If this order be made, and the premises still remain a danger to health, the local authority may require the owner to demolish them, and may themselves do so, if necessary, and pay him any surplus obtained for the materials after they have paid for the cost of demolition and sale.

Part III. is a revival of the Act of Parliament passed in 1851, at the instigation of Lord Shaftesbury, giving power to local authorities to erect workmen's dwellings without dealing with either insanitary areas or insanitary houses. Here the expenditure involved by costly clearance schemes is avoided.

Advantages and Disadvantages of Municipal Housebuilding.

That municipal dwellings constructed under Part I. of the Working Classes Act, 1890, should (if they are not to be a direct burden on the rates) involve the payment of rents higher than the poorer members of those classes can pay will no longer be surprising after what has been said above. The position would doubtless be considerably worse, from the point of view both of the tenants and of the housing accounts, but for the fact that so substantial a portion of the cost of the site—which may not be on the "insanitary area" at all—is often put to the improvement account, and thus falls on the general rates, the housing accounts being charged with only such sum as the site is considered to be worth for housing purposes. When the London County Council gave £200,000 for Reid's brewery site, Clerkenwell, for the erection thereon of dwellings for persons dishoused by the construction of the new street from the Strand to Holborn, they put down £45,000 as the value of the land for housing purposes, and carried the remaining £155,000 to the improvement account. When, therefore, it may be asked in due course if the buildings on the site in question "pay," it is on the basis of £45,000 having been given for the land that the calculations will be made, just as it is on the same basis that the rents will be arranged. Theoretically the rents of L.C.C. dwellings cover the outlay, and no burdens fall on the rates. There is indeed a standing order to this effect. But even on the assumption that the theory is correct, there is still, in practice, this question of site values to be considered; and on this point Mr. R. M. Beachcroft has declared:—"The sites on which the existing dwellings have been erected by the L.C.C. stand at a total value of £95,000, while the commercial value is estimated at £230,000. The difference between these figures represents the cost which has to be borne by the rates."

The municipal house-builders thus generally start with an advantage in regard to site value, where they can write off so much for "improvement" and charge it to the rates, and they may secure an advantage in regard to raising money; but in the cost of building they are at a distinct disadvantage. They will, for instance, have more difficulty in getting their plans passed by the Government authorities than the private companies will have with the local authorities. Respecting this aspect of the question, a member of the housing committee of a certain provincial borough writes:—

> We do feel strongly that the general interference of the Local Government Board does involve us in great delays, and these delays have caused us great inconvenience, and in one case, at least, serious loss. In this instance we had our plans ready, and if we could have gone on at once we should have been able to put the buildings up at a certain price. But the Local Government Board kept us waiting some months, during which time the prices of material advanced enormously, and all our costs and plans were upset. Another small instance of needless delay is the following. We sent up plans showing on them in diagram a manhole and ventilating shaft. These were shown so that any ordinary builder or practical man would have understood what was intended, but the words describing it were not written against the diagram. The Local Government Board returned the plans for these words to be written in, and altogether there was a delay of months. In the early part of our work we had the town constantly crying out against us for slowness, while the delay was due to the time taken by the Local Government Board in deciding some technical point or other. We contend that one inquiry on any housing scheme should be sufficient, just as one inquiry suffices in, say, a big water undertaking. Details should be left to our own working out, subject to our own by-laws. Our by-laws are now the model by-laws, which are very stringent and have received the approval of the Local Government Board. Any interference, therefore, after the necessity of the proposed scheme and its financial merits have been approved we regard as needlessly vexatious, and frequently involving costly hindrance.

To the delays caused by Government departments must be added the fads of individual members of such a body as the London County Council, for instance, and the aspirations, also, of the municipal officials, who, for their credit's sake, will want to make "a good job" of the houses, and may add various extras, ornamental or other,

which a company working on commercial lines, and regarding every shilling spent as cost of production, to be made up out of the rents, would be disposed to do without. Then, should the work of construction be carried out by a municipal works department, one will have to allow not only for the slower rate at which the bricklayers and others will get through their labours, as compared with the workmen of a private contractor, but also for the considerably higher cost of administration. During a discussion, at a meeting of the London County Council in March last, on the subject of the Works Department of that body, one of the members declared that the high cost of the work done was really due to the fact that the department was overloaded with officialism, having to pay salaries to 70 or 80 persons who were non-producers.

Even if the local authority should give the work to a contractor, that person will charge them more for doing it than he would charge a trust or company, the reason being that in working for a municipality his men will be more inclined to take their time, and he will be subject to more restrictions or "interference" of one sort or another, the work being thus, in various ways, rendered more costly, and there will be so many formalities to go through when he wants money that he will not get it so readily from a municipality as from a trust or company.

A municipal authority is further handicapped, as compared with a private trust or company, by having to pay off its loans in a limited period. Thus the Guinness Trust claims to show, with the very moderate rentals charged, a return of 3 per cent. per annum and a margin for a sinking fund sufficient to enable each building to be replaced at the end of 100 years from the date of its completion—the land being regarded as a permanent asset, and therefore excluded from the sinking fund. But it is pointed out that, "if the trustees were under the obligation to replace the capital outlay on both land and buildings in 60 years, the average rent per tenement would have to be increased by about 8d. per week." The increase would, of course, be still greater if the loan had to be repaid in 30 years or so. Still another consideration is that the management of a London County Council block of dwellings involves an amount of clerical work which an ordinary trust or company does not consider it necessary to resort to. In the matter of rent collecting alone, one person employed by a housing trust or company will do the work for which three or four are required by a local authority.

All these things help to swell the cost of erecting or maintaining municipal dwellings, and the final outcome is that, although the site value of the land may have been substantially written down by ascribing a considerable sum to "improvements," the rents which must be charged in order to meet all costs, expenses, and contingencies are too often quite beyond the reach of the really poor. So the slums which are left standing may become still more crowded and unhealthy than those which have been swept away. One realizes better the irony of the situation in recalling the fact that in September, 1901, a memorial was sent to the London County Council requesting a *minimum* wage of 30s. per week for all Council *employés*, "that sum being the lowest that can be considered a 'living wage' in London, especially as a person in receipt of a smaller sum cannot afford to live in the dwellings which the County Council has erected for the housing of the poor in the metropolis."

Municipal Alternatives to House Building.

In view of such facts as those given above, it is not surprising to find that certain corporations are by no means inclined to follow the example of those which have resorted to the excessively costly and troublesome procedure involved by the adoption of Part I. of the Housing of the Working Classes Act, 1890, and have sought refuge, rather, in a far more economical application of Part II. of the same Act. An especially striking illustration of what can be done in the provinces (though not necessarily in London) on these lines for an almost nominal expenditure—provided the local authority will resist the temptation of wanting to build houses on its own account—is afforded by the corporation of Hull. This body was the first in the country to hit upon the ingenious idea that, although Part II. applied to individual insanitary dwellings, and not to insanitary areas, yet, if proceedings were taken simultaneously in respect to each house in a long row of unhealthy dwellings, a substantial area could be dealt with quite as effectively. In this way the corporation, in the course of two years and a-half, demolished or obtained closing orders against 385 houses in five separate areas, covering a space of 15,181 square yards, a group of no fewer than 79 houses being operated on in one instance and 75 in another. This was done with no more expense and trouble than was represented by the appointment of two sanitary officers, the preparation of plans, &c., and the taking of proceedings before the local magistrates, while the result was that the areas were cleared as effectively as if the corporation had proceeded under Part I. and gone through the costly formality of Local Government Board inquiry, Provisional Order, special Act of Parliament, inquiry before a Select Committee, and possibly a costly arbitration to follow. There was no obligation thrown on the corporation to provide for those who were ejected from the dwellings, and it was no part of the magistrates' duty even to ask what would become of them; but, as the corporation were quite prepared not to compete with private enterprise, an adequate supply of four-room cottages, built under Local Government Board regulations, and rented at only 3s. 9d. a week each, was soon provided by private enterprise within one mile of the centre of the town. In this way Hull was freed of some of the worst slums of a busy seaport town, and secured, at the same time, a sufficiency of cheap, healthy, and efficient housing accommodation, with very little trouble and at practically no expense whatever to the public purse. The contrast between the excellent results thus obtained so economically and the heavy financial burdens with which various municipalities have saddled themselves in buying up and clearing slums, and then building afresh on their own account, is striking in the extreme.

Manchester affords an excellent illustration of a city where a good deal of practical work in

regard to housing reform has been done by the municipality for comparatively little money, and with a *minimum* of interference with independent effort. About the year 1884 the corporation began to deal with insanitary areas under Lord Cross's Artisans' Dwellings Act of 1875, now represented by Part I. of the Housing of the Working Classes Act. But after two or three years' experience the procedure and progress were found to be so costly and so unsatisfactory that it was decided to take action under a section of the Manchester Corporation Waterworks and Improvement Act, 1867, to the following effect :—

In any case where it is certified to the corporation by an inspector of nuisances, or by any two medical practitioners, that any building or part of a building is unfit for human habitation, the corporation may by their order, affixed conspicuously on such building or part of the building, declare the same is not fit for human habitation, and shall not, after a date therein to be specified, be inhabited ; and any person who shall, after the date or time mentioned in such order, let or occupy, or continue to let or occupy, or knowingly suffer to be occupied, such building or part of building, shall be liable to a penalty not exceeding £5 and for a continuing offence not exceeding 40s. for every day during which the offence may continue. Provided always that, if at any time after such order the corporation shall be satisfied that such house has become or been rendered fit for human habitation, they may revoke their said order, and the same shall thenceforward cease to operate.

With the help of the powers thus possessed by them, the corporation have, since the year 1885, ordered about 7,432 houses (chiefly back-to-back) to be closed. Of these, 3,334 have been allowed to be reopened, after being improved by providing light, ventilation, air-space, and better sanitary accommodation. Under the method of procedure adopted, the whole cost of the alterations to be carried out before the corporation revoked their closing order had to be borne by the owner of the property. But in some cases it was necessary, before a group of houses could be made fit for habitation, to demolish one in three, the site being left as an open space, or utilized as a private yard for the adjoining houses. Where this occurred the corporation made a grant of £15 in respect to each house demolished, and the amount thus paid away in carrying out the substantial improvements suggested by the figures given above represents the modest total of £25,000.

Leeds has dealt with three unhealthy areas in respect of which they were required by the Local Government Board to make housing provision. Of these three, the most important was the York-street area, which was bought by the corporation under Part I. of the Housing of the Working Classes Act, 1890. In accordance with the requirements of the Local Government Board, provision had to be made for the housing of 1,952 persons, but, instead of resorting to any costly and speculative scheme of municipal housing of their own, on the basis of the rates, the corporation preferred to rely on private enterprise, selling land to builders who undertook to erect houses according to plans approved by the Local Government Board. In this way over 900 persons have been housed in single houses built for them by private builders on cheaper land three-quarters of a mile away, sold by the corporation for this purpose ; and 200 persons have been housed in three-storey tenement flats built upon the "unhealthy" area itself by a private builder, the site being sold to him at 12s. 6d. a yard by the corporation, subject to the condition of his providing for this number of persons upon it. Nearly all the land is being bought on agreements to purchase, conveyances to be completed on three months' notice being given on either side. This suits the corporation, and the builders prefer it, as they get a larger income from rents than they could from other investments. The actual conveyances will probably be spread over a period of many years. Further schemes are being prepared on the same area for men's lodging-houses. There is already a well-managed and profitable lodging-house for 300 men just outside the area, and the corporation are gradually emptying several low-class lodging-houses of which they became possessed within the area. It is expected that new houses in two grades will shortly be provided by a lodging-house company. The greatest care is taken to demolish gradually, so that there are never fewer than 50 empty houses in the immediate neighbourhood available for the tenants who are turned out. The Camp Field area was dealt with under Part II. of the Housing of the Working Classes Act, 1890, and out of 191 dwellings it was found necessary to demolish only 59, of which many were already empty. Under the requirements of the Local Government Board the corporation had to provide only ten more houses on the area, and these they built themselves at a cost of £2,458.

Birmingham has recently had under consideration an unsanitary area in St. Lawrence's parish, to deal with which under Part I. of the Housing of the Working Classes Act would have involved an expenditure of at least £250,000. The Housing Committee reported thereon that, though they would not suggest that the finances of the city were so embarrassed as to prevent the council from formulating any scheme under the Act, they were of opinion "that in view of the heavy charges on the rates at present, and the increased burdens which may be expected in the near future, it would be unwise to undertake any large scheme, unless the evils could not be otherwise remedied." Inasmuch as "material improvements" could be effected under Part II. the committee recommended that the council should do whatever was possible on these modified lines. To this the City Council agreed, but it was urged by some of the members that, as a certain number of dwellings would be demolished, and inasmuch as the council had already done much in the way of pulling down houses in the city, and very little in providing substitutes for them, it should make the experiment of erecting some 74 tenements in the city itself for the accommodation of 670 persons. The chairman of the Housing Committee, Mr. Nettlefold, opposed the suggestion, arguing that everything possible should be done to encourage independent effort, and declaring that, unless they were prepared to house every one in Birmingham who could not afford to pay more than 3s. 6d. a week rent, they had better be careful, because municipal house-building would frighten off every one else ; and, if they frightened off private enterprise by competition backed by the rates the city would be

left in a worse state than it was before. The council, in the first instance, adopted the principle of the scheme for the construction of the proposed flats, but later on the Housing Committee brought up another report, setting forth further objections to the proposal, and the matter was reconsidered. It was then urged that there were already 3,000 empty houses in Birmingham; that there were builders in the city who were quite prepared to meet any requirements in regard to house-building, if they did not have to compete with a municipality which would tax 95 per cent. of the people in the interests of the remaining 5 per cent.; that for the checking of private enterprise in the past the undue severity of the corporation by-laws was partly to blame; and that, if private enterprise were given a fair chance, it would provide in Birmingham ten good cheap houses for every one that the corporation would erect. In the end the views of the committee were accepted, and it was resolved to proceed no further with the scheme for the erection of the flats.

The Birmingham Corporation have also had before them a proposal for the construction of workmen's houses on a plot of land at Bordesley-green, bought by them expressly for that purpose. In this case the Housing Committee also raised objections. They thought it inexpedient for the city to launch into a large building speculation, while, as the district in question was being rapidly built upon, they suggested that "it would be most unwise to check such development by competition on the part of the municipality," especially as the dwellings it was proposed they should erect "would be inhabited by a class for whom there was no call on the part of the municipality to provide housing accommodation." They added:—

> Your committee are in complete sympathy with the desire to see more and better houses provided in Birmingham for the working classes, and they intend to do everything in their power to encourage private owners to supply this demand. Improved means of communication, both by making new roads and by improving the tramway system, would be most useful in this direction, and also the modification of some of the building by-laws, which at present increase the cost of building without increasing the efficiency of the house when built. Your committee are informed that the Public Works Committee are taking steps to modify these by-laws.
>
> Your committee therefore recommend the council not to proceed themselves with a building scheme at Bordesley-green, but to authorize the Housing Committee to let the land to a suitable tenant or tenants, who will be bound by the terms of the lease to erect workmen's dwellings, and to maintain and repair such dwellings, and see that they are used for the purpose for which they are erected, the corporation reserving the power of re-entry if there be any breach of the terms of the lease.

The City Council adopted this recommendation, and in doing so set an example which may be commended to the consideration of corporations seeking for alternatives to those costly and dubious speculations which municipal house-building so often involves.

XVI.

(THE TIMES, OCTOBER 30, 1902.)

THE HOUSING QUESTION.—PRIVATE ENTERPRISE.

The chief argument adduced in favour of municipal house-building is that private enterprise has failed to do more than provide the working classes with slums, and that "the helpful hand of the municipality is indispensable." Private enterprise, says a writer in a Socialist newspaper, which furnishes its readers with such arguments almost week by week, "has had all the chances in years past, and what has it made of them? Rash speculation, jerry-built slumdom, and the woful want of housing accommodation confronting us everywhere." To this it must be replied that private enterprise has in no way been restricted to the provision of slums, that it has done far more to supply cheap and healthy house accommodation for artisans and labourers than it gets credit for, that the effect of municipal action has too often been to check rather than to encourage, and that in the case of London, at least, there would probably by this time have been as many tenements available for the working classes if the London County Council had not sought to "help" at all as have been added through the "enterprise" of that particular body.

In considering what private enterprise has done in the metropolis in the housing question, one must turn in the first instance to the operations of the great housing trusts and housing companies which represent the most important phase of independent as against municipal effort. It may be useful to glance for a moment at what has already been done in this direction.

WHAT THE HOUSING TRUSTS AND COMPANIES HAVE DONE.

The first organization in London to provide block buildings for working people was the Metropolitan Association for Improving the Dwellings of the Industrious Classes. This association was the outcome of a movement started in 1841 by a number of gentlemen who joined together to see what could be done "to provide working men with an increase of the comforts and conveniences of life." Those were the days before the era of sanitary science, and the houses available for the "industrious classes" were too often the vilest of dens, besides being heavily rented. The association was incorporated in 1845, with Sir Ralph Howard as chairman, and for a period of 50 years the directors gave their services gratuitously. The first block of dwellings, designed by the partner of Sir Gilbert Scott, and comprising 110 tenements, was opened in Pancras-square, Pancras-road, N.W., in 1845. Between that date and 1885 the association erected 13 other sets of buildings, providing (with those already mentioned) a total accommodation for 6,023 persons. In 1890, in preference to starting afresh with more buildings, it began a thorough renovation of the existing properties, bringing them thoroughly up-to-date, the dividend being reduced from 5 to 4½ per cent. to meet the cost of this work, which is still proceeding. The association is now providing a block of tenements at Stoke Newington, comprising eight sets with three rooms each and scullery, and eight with four rooms each and scullery, the rents being 8s. 6d. a week for the former and 10s. 9d. for the latter. There is, it seems, a great demand for tenements of this class for working men, but the association has been somewhat staggered by the increase in the cost of building, since its previous block of dwellings was raised, owing to the advance in the cost of labour and materials.

The Peabody Donation Fund, established by Mr. Peabody in 1862, had spent on land and buildings down to the end of 1901, in the interests of the artisan and labouring poor of London, a sum of £1,338,600. In this way the Governors had provided, in block tenements, 5,159 separate dwellings, representing 11,439 rooms (besides bath rooms, laundries, and lavatories), arranged as follows :—100 dwellings of four rooms, 1,770 of three rooms, 2,440 of two rooms, and 849 of one room. The mean population in these dwellings during the year was over 19,000. The Peabody Governors have now provided 12 more blocks of artisans and labourers' dwellings at Herne-hill affording accommodation for an additional 1,380 persons, making a grand total of 20,380 altogether. The average weekly earnings of the head of each family in residence at the end of last year were 22s., but many of the occupants of Peabody dwellings do not earn more than 12s. 6d. a week, and may thus fairly claim to come under the definition of the poorer poor.

The Guinness Trust, founded in 1889 by Sir E. C. Guinness, now Lord Iveagh, with a gift of £200,000, has provided eight groups of workmen's dwellings, representing a total of 2,574 tenements and 5,339 rooms, arranged as follows :—One-room tenements, 502 ; two rooms, 1,416 ; three rooms, 619 ; four rooms, 37.

The Rowton Houses were started in 1892, with a gift of £30,000 by Lord Rowton for the first of these houses, in Vauxhall. A company was formed in 1894, and now there are other Rowton Houses at King's-cross, Newington-butts, Hammersmith, and Whitechapel, the total number of cubicles provided (in addition to dining-rooms, smoking-rooms, reading-rooms, lodgers' scullieries, bath-rooms, and lavatories, locker rooms, lodgers' wash-houses, barbers' shops, shoemakers and tailors' workrooms, &c.) being 3,582.

The Artizans', Labourers', and General Dwellings Company (Limited) was formed in 1867 with an authorized capital of £250,000, and has now considerably over £2,500,000 invested in its various estates. It has provided 4,607 cottages of five classes, mostly at weekly rentals ranging from 6s. to 12s. 6d., but including some specially-built houses at higher rentals ; 820 double-tenement houses, with complete separate accommodation for two families, at rentals from 4s. 6d. to 8s. 6d. ; 250 shops ; and ten sets of block buildings which comprise 1,467 tenements, with 3,495 rooms, and 153 additional shops, the total housing accommodation being for over 30,000 persons.

Arising out of a movement set on foot by Sir Sydney Waterlow, the Improved Industrial Dwellings Company (Limited), which was incorporated in 1863, and has spent £1,117,000 on land and buildings, has 45 estates on which there are 5,419 separate dwellings, comprising 18,209 rooms, which can accommodate 27,300 persons. In addition the company owns 14 freehold shops and houses on the Bethnal-green estate, three leasehold shops and houses in the King's-cross-road, 115 shops and 46 workshops in connexion with the dwellings, a freehold warehouse and land in High-street, Islington, and the freehold of land in Walton-street and First-street, South Kensington, on which are 36 leasehold residences. The company also manages 255 dwellings and ten shops belonging to other owners. The total number of dwellings and shops under the control of the company is, therefore, 5,862, in which nearly 30,000 persons are accommodated.

The East-end Dwellings Company (Limited), which came into existence 20 years ago, houses a total population of over 6,000 persons, not alone in various parts of the East-end, but also in Camberwell, King's-cross, and Barnsbury.

The Metropolitan Industrial Dwellings Company (Limited) started operations in 1886 with the provision of housing accommodation for the working classes, but took over, in addition, in 1891, the building of flats at a rental of from £26 to £62 a year for people of higher social position. They have provided, altogether, 1,566 separate tenements and 13 shops ; included in these figures being 1,166 tenements for wage-earners, of whom a total population of 3,500 persons is lodged therein, the rents varying from 2s. 9d. per week for a single room to about 9s. per week for three rooms and a scullery. That the company should have supplied economical dwellings for the middle as well as for the working classes points to another advantage in favour of private over municipal action, inasmuch as in this way the whole undertaking can be run on more commercial lines.

The Four per Cent. Industrial Dwellings Company (Limited) opened, between May, 1887, and the end of last year, five blocks of dwellings, containing 948 tenements, or 2,060 rooms, accommodating 4,522 persons. The company have recently acquired a further site in Stoke Newington, on which dwellings for 340 families, at a total cost of £106,000 for land and buildings, are now in course of construction.

The Victoria Dwellings Association was inaugurated in 1877 with the late Mr. Walter as chairman of the executive council, and an extremely influential list of supporters, among them being the Lord Chancellor and the Earl of Beaconsfield, then Prime Minister. Its two-fold objects were (1) to provide suitable and proper dwellings for artisans and labourers and for the poorer classes ; and (2) to promote and assist in carrying into operation "The Artizans and Labourers' Dwellings Improvement Act, 1875," and any other Act of a like nature which might afterwards be passed. The first group of buildings, comprising artisans' dwellings and labourers' blocks, was opened at Battersea, on June 27, 1877, by Lord Beaconsfield. Since then two other groups of buildings have been set up by the association, the last one being erected in 1885, since which year the directors have not widened the scope of their operations. They built at a favourable period, for the cost of their second and third blocks worked out at only £52 10s. per room, in the one case, and £85 per room in the other, as compared with the £120 per room which will have to be paid in the case of some artisans' dwellings of quite a plain type at Stoke Newington.

These illustrations do not in any way exhaust the list, but they will suffice for present purposes.

How the L.C.C. Checked Private Action.

It will be seen that the greater part of the "private enterprise" represented by the above details has been due to the operations of trusts

or companies brought into existence prior to the institution (in 1889) of the London County Council, and one of the most important factors in the situation is the circumstance that, since the L.C.C. was created, the formation of great public companies to deal with the housing question in London has practically stopped. There had been indications that public opinion was becoming aroused on the question, and that capitalists, large and small, were quite prepared to advance their money for the purpose, provided they could get a modest return ; but the effect of L. C. C. policy, coupled with the increased cost of building, has been to restrain their zeal, and check the formation of those further undertakings which otherwise would certainly have been brought into existence to help in the solution of a problem which has aroused such profound public interest.

To understand the way in which this check has operated one must revert to the fact that, when the Metropolitan Board of Works (in whose days most of the companies referred to above were formed) undertook a clearance scheme, it disposed of the cleared land at low rates to companies or private builders, instead of indulging in the costly luxury of building dwellings on its own account ; and no insuperable difficulties presented themselves in regard to plans. But the London County Council came into being with lofty ideals as to the sort of dwellings which ought to be provided for working-class voters and their families ; and the restrictions they sought to impose in their building agreements were (from the point of view of private enterprise) so unreasonable, and so costly to carry out, that it became impossible for the proposed buildings to be constructed and let at moderate rentals with any hope of a return for the outlay. Such, indeed, was the nature of the restrictions imposed by the L.C.C. that in one instance, at least, the representative of a large housing company told them, " If you offer me your land for nothing, I won't have it."

Then at one time the L.C.C. would not allow block dwellings to be more than four storeys high, and they laid it down that the distance between separate blocks should be equal to their height, though these requirements have since been modified. They also put up their cleared land for sale by auction instead of following the example of the Metropolitan Board of Works in disposing of it on reduced terms to the housing companies, and got the highest price for it they could. But housing trusts and companies say the poor man cannot be housed decently in London if, to begin with, the land must be bought at its market value ; because in that case the proportion of " land rent " per room per week works out at a higher amount than the poor are able to pay. The operations of the trusts and companies have, indeed, only been rendered possible in the past by the fact that the great ground landlords of the metropolis let to them large quantities of land for artisans' dwellings at 2d. per foot, though the actual market value might be from six to 12 times more. It is calculated that in the case of the late Duke of Westminster alone the reduction in price in regard to the land he thus disposed of for housing purposes represented a difference to him of many thousands a year. But while the ground landlords thus showed their generosity, the L.C.C. sought to get the full market value for their land, and imposed their various restrictions as well. The effect was this—2d. per foot for the site of a block of artisans' dwellings worked out at an average " land rent " of 3d. per room per week, to be met out of the rent paid by the tenant, and this was regarded as the most that could be expected. But some of the land disposed of by auction by the L.C.C.—land especially desirable from the housing point of view—brought a sum equal to a land rent of 1s. 1½d. per room per week. If we add to this the taxes to be paid on the land, we get a total charge of 1s. 6d. per room per week in regard to site alone, without reference to cost of building and management expenses. The further effect of insisting on only four storeys, instead of allowing six, and of having what the companies regarded as more space between the blocks than the tenants could afford to pay for, was to reduce the housing accommodation, and consequently the number of rooms over which the land rent could be distributed, thus increasing the proportion that each individual tenant must pay. All this alone sufficed to render the taking over of land from the L.C.C. almost prohibitive, and the L.C.C. must themselves have realized the situation, for when they began to build on their own account they adopted the expedient of writing down the cost of sites from their market value to their value for housing purposes, the difference being thrown on the rates under the head of " improvements." When, on the other hand, the ground landlords found that the action of the trusts and companies was checked, and that the L.C.C. had entered the domain of municipal house-building, they were relieved of their obligation to let land on the 2d. per foot basis. As the outcome, therefore, of L.C.C. action, the ground landlords of London have benefited substantially, while the difference between housing value and market value has now to be made up by the general body of the ratepayers.

Coupled with the difficulties narrated above there was a feeling of uncertainty as to what further demands might not be made for compliance with the " fads " of L.C.C. members or officials. The outcome of these and various other conditions has been that certain of the companies before-mentioned, which bought cleared land freely from the Metropolitan Board of Works for housing purposes, have never bought or leased a single site from the London County Council since it came into existence, securing land in each instance from private owners instead.

So the London County Council found itself in possession of a quantity of building land which no one was inclined to take over ; and thereupon the cry was raised that private enterprise was a failure, and that the County Council must meet the difficulty by building on its own account. Even then, however, it persisted in the lofty ideals which the companies and private builders had regarded as impracticable, and the earliest plans submitted to the Local Government Board by the London County Council pleased the Government officials so much that they adopted them as a standard which was henceforward to be followed. So it happened that when a certain company which had taken over a London County Council site submitted plans identically similar to those on which they

had previously built to every one's satisfaction, those plans were rejected owing to the "higher education" in house-building which, in the meantime, the Government officials had received at the hands of the London County Council. Here again there was a check, but it was avoided by the company's choosing a site elsewhere than on an area cleared by the London County Council.

It has really seemed, at times, as though the London County Council sought to check the operations of the trusts and housing companies so that they could have a clear course for their own enterprises in regard to housing. When the Coldbaths Fields prison was abolished one of the companies offered £100,000 for the site of 11 acres, which they proposed to cover entirely with artisans' dwellings, capable of accommodating from 8,000 to 10,000 people; but the London County Council opposed the scheme on the ground that more artisans' dwellings were not wanted in Clerkenwell, and eventually the land was disposed of to the Post Office. Not very long after this the London County Council themselves bought Reid's brewery site, in Clerkenwell, for the purpose of erecting artisans' dwellings thereon, in the interests of persons ejected by the new Strand to Holborn thoroughfare, and the curious fact arose that while, in the case of the Coldbaths Fields prison site, it was a question of a housing company paying £100,000 for 11 acres, the London County Council took over the Clerkenwell site, by private contract, at the rate of £100,000 per acre. The same company were prepared to take over the 27 acres representing the site of Millbank prison, and utilize the greater part of the land for housing purposes, but the London County Council blocked the way. That body itself erected buildings on part of the site, but the company would have provided, much earlier, houses that could have been let at lower rents, and would have involved no possible risk to the public purse. In Rosebery-avenue a housing company wanted to put up a row of shops for the frontage of some artisans' dwellings, and they offered that, if the London County Council would consent to the arrangement, the rents from the shops should be used to keep down the rents of the dwellings above them. But the London County Council refused permission, and even threatened the company with an injunction if they attempted anything of the sort.

As a concrete illustration of the kind of help which local and Imperial authorities alike are inclined to give to private enterprise in the provision of dwellings for the labouring classes, reference may be made to the experiences of the East-end Dwellings Company (Limited) in regard to a certain piece of land in Ann-street, Poplar. The site had been cleared by the London County Council, and the Housing Committee, which could not build on it without having first offered it elsewhere, invited the Guinness Trust to buy it. The offer was declined, as the site was not large enough, and the Housing Committee asked leave of the Council to build themselves. Thereupon the East-end Dwellings Company said they would give £2,500 for the land, which sum was £400 in excess of the value assigned to it by the Council's valuer, and a provisional agreement was drawn up. The building plans, however, had to be approved by both the London County Council and the Local Government Board, and here the trouble really began. The plans were virtually the same as those adopted for a large and successful block of buildings already constructed by the company, but various objections were taken by the London County Council, and much correspondence followed. Finally, it was arranged that the Local Government Board should settle the points in dispute, and the Local Government Board did so by rejecting all the demands of the London County Council except one, though on this one point—which meant a considerable increase in the cost of building, and has not been considered necessary either by Acts of Parliament, by-laws, or builders—the plans were disallowed. The company prepared fresh plans, but this time the Local Government Board required that single-room tenements should be occupied only by a single individual; and though the London County Council now concurred in the protest raised by the company, the Local Government Board would not yield, and the company withdrew from the negotiations, which had extended over two years and a half, had involved the company in an expenditure of £100 for plans, &c., and had, in the meantime, left the people of Poplar to arrange for their housing as best they could. So the London County Council lost the £2,500 they might have had, and the irony of the whole situation was completed when the Housing Committee, being now in a position to build on the land themselves, wrote down the value of the site for housing purposes as *nil*, thus throwing the actual cost of the site on to the general rates under the head of "improvements."

Other Restraints on Private Enterprise.

When the London County Council found an increasing reluctance on the part of private enterprise to co-operate with them in the provision of workmen's dwellings, they saw in the situation thus brought about a still greater reason for indulging in that municipal house building to which so many of the members, and especially those representing working-class constituencies, were already inclined. Then the more dwellings the London County Council erected the greater became the check given to the further supply of privately-owned property; and the more that Works Department rates of pay and "go easy" practices became the standard in the building trades the greater became the cost of construction in general.

In regard to this question of the cost of building, the fact may here be recalled that, at the last annual meeting of the Artizans', Labourers', and General Dwellings Company (Limited), the chairman, Mr. Ernest Noel, said that "undoubtedly one of the hindrances to securing cheap houses was the unfortunate action of trade unions in the building trades, as by their unwritten laws they limit in a most serious manner the efficacy of labour." What with the limitation of output and the increases of wages in the building trades, and the greater cost of materials which is due in no slight measure to the operation of similar causes in other trades, the average cost of building has gone up at least 25 or 30 per cent., so that it is practically impossible for dwellings erected to-day to be let at the same rentals as prevailed 10, or even five, years ago, if they are to be made to pay.

Then the great increase in local taxation militates considerably against the possibility of supplying cheap housing accommodation, while local authorities in London have added to the troubles of the housing trusts and companies by either seriously decreasing the compounding allowances, or declining to grant any at all for the future. Even this does not complete the list of grievances, for it is complained that, whilst the officials of the London County Council and other such bodies tolerate serious evils in ordinary slum property, they are most severe in their exactions with regard to repairs, alterations, or renovations in the block dwellings, the theory being that they wish to have the credit for activity in serving so many "notices," and they find it easier to deal with block dwellings than with the slums. Thus companies will be called upon to whitewash ceilings only slightly discoloured, or to reconstruct the entire sanitary arrangements, not because they are defective, but because a new medical officer, with different ideas from those of his predecessor, has been appointed. Many corporations pay such small salaries to their medical officer that they get only beginners in the profession, who leave them as soon as they can better themselves, and in some towns changes in the position in question are tolerably frequent. As a sample of much that goes on reference may be made to a certain property where a medical officer insisted on some drains being laid at a specified depth, and he approved plans which were carried out at a cost of £40. When the matter came under the attention of his successor, that individual said the "fall" given was not sufficient, and the work must be done over again, so that another £30 had to be spent. Countless illustrations of the same sort of thing could be given. It is a question, therefore, not only of meeting troublesome, oppressive, and costly requirements at the outset, but of having, possibly, to meet also fresh by-laws and fresh official demands of a like character later on. In this way the very uncertainty of the whole action of local authorities tends to discourage an entrance upon building speculations where an enterprise representing an investment of thousands of pounds may be changed from one yielding a moderate profit into one incurring an actual loss by some unreasonable demand or other on the part either of a council or of an over-zealous officer. It is absolute lack of consideration such as this that tends to leave the provision of workmen's cottages more and more in the hands of the worst class of jerry builder or speculative property owner, and helps to increase the very evils which local authorities profess themselves anxious to overcome by building on their own account.

Such is the position in regard to the cost of building artisans' dwellings at the present time that, although housing companies and trusts, managed on business lines, secure profits ranging from 2½ to 4 or 5 per cent. (as compared with the losses too often sustained on municipal dwellings), it is morally certain that if any new company were to start operations within a reasonable distance of the City of London it would not be able to earn more than about 2½ per cent. It is doubtful, indeed, if any such new company would now be started at all in London, for existing companies find that, owing to the policy adopted in regard to municipal dwellings, there is a growing reluctance on the part of the public to invest in private housing companies. In one instance a company which has persevered, in spite of all that the London County Council has done, is effectually pulled up at last by uncertainty as to what may or may not be done by the various London borough councils, some of which are developing strong ideas of their own in the direction of municipal house-building.

The check given to trusts and companies has naturally been even keener in the case of individual builders, with smaller resources to fall back on; but when one bears in mind what enormous collections of small-house property have sprung into existence of late years in the neighbourhood of Edmonton, Walthamstow, and other districts, converting hamlets into populous towns, there is still further reason for suggesting that private enterprise has done much more than the advocates of municipal house-building are willing to give it credit for.

The Real Scope for Municipal Action.

If one accepts at all the argument that the public purse may properly be utilized for the provision of dwellings, then the special call for municipal action would seem to be in the direction of providing for the really poor, and for people with small means but large families whom the ordinary landlord does not want, and who would only be allowed in block dwellings if they took three if not four rooms, which they could not afford to rent. On this particular point a gentleman who is profoundly versed in the whole subject of the housing problem in London writes:—

> With regard to the large families that one so often finds, the County Council has done nothing to provide cheaper accommodation, and there is the root of all evils nowadays. Overcrowding does and will exist until the matter is more thoroughly discussed and dealt with. A man and his wife take two rooms for themselves and one child. They remain four or five years, and during that time a child is born yearly, making in five years a family of eight, but the wages earned by the parents are the same as before. The rent being regularly paid, the family remain undisturbed, until an illness amongst them draws the attention of the authorities to the overcrowded state of the rooms. What is to be done? They have notice to quit and must get accommodation somewhere else. How do they do it? Simply by placing two or three of the children "out" and going into another occupation with a reduced family. Then, after a month or so, the remainder come home, and the same state of things exists again. There is the opportunity for municipal work—to build cheaply for the man with a large family, and so save the overcrowding that is such a curse.

To the two classes mentioned above might be added the people who live in slums because of the greater "liberty" they enjoy there. In their case, it may be, the transition from slums and disorder to model dwellings and strict regulations is too sudden, and involves the taking of too many steps at one time up the ladder of progress. Whether or not it would be possible to meet this difficulty by the provision of some intermediate and rougher type of dwelling, without the restrictions imposed in the case of municipal, trust, or company tenements, might be deserving of consideration, especially as one could fairly put against any cost incurred for progress effected in this way the benefits derived therefrom in regard to public health and the better maintenance of law and order.

Apart from all this, the scope for municipal action would seem to be more in the direction of a vigorous application, wherever possible, of the powers possessed under Part II. of the Housing of the Working Classes Act in preference to a resort to the excessive, if not extravagant, expenditure involved in the application of Part I.; and in the direction, also, of allowing the fullest possible scope to independent effort for the provision of fresh house accommodation wherever private enterprise is prepared to exert itself, while still willing to accept conditions consistent with the public health and well-being. In London, especially, the housing provision for the working population is, taken as a whole, so bad and dear that anything which great companies and private builders can do is of value to the community in helping to remove the congestion and the insanitary conditions in which so many of the people live. Such independent effort should meet with every possible encouragement instead of the most serious discouragement. In many cases municipal authorities have assumed too readily that there was no hope that private enterprise would take action, and different results might often have been brought about if they themselves had given a greater degree of encouragement to outsiders, granting easier terms, modifying requirements, or relaxing particular by-laws or building regulations where such a course could be pursued to the advantage of the builder, on the one hand, and without really prejudicing the healthy conditions or the general stability of the building, on the other. The ideal arrangement would be one under which the municipality enforced its legal powers for dealing with insanitary property, and facilitated in every practical way the operations of private enterprise, especially as regards the granting of building sites on the lowest possible terms, and the concession of some further relief in regard to building regulations, only itself taking action where or when there was absolutely no chance that independent action would meet undoubted requirements. Such a scheme as this would do far more towards the solution of the housing problem than the present system of municipal competition, which threatens to leave upon the hands of local authorities the entire obligation of providing dwellings for the artisan and labouring classes.

The Socialist View.

By the avowed Socialists this result would hardly be deplored, and the readiness shown by so many local authorities in adopting a policy of municipal house building is only another indication of the way in which, consciously or unconsciously, they are adopting purely Socialist ideas. From the Socialist standpoint it is not a question whether a municipality should do, as a last resource, what independent effort cannot or will not do. It is whether municipal effort should be actually substituted for independent effort. The community want houses, and therefore, it is argued, the community should supply and own the houses it wants. Any injury to private interests is of no account in the view of those whose mission in life it is to war against capital.

At the conference of municipal representatives held at Glasgow in September, 1901, to discuss the housing question one of the speakers said, "We don't want to house everybody," whereupon some one else called out "Why not?" Those two words sum up the whole situation as the Socialists see it. The ownership of dwellings by the "community" is aimed at as a sequel to the possession of all means of remunerative employment by the State or the municipality. The municipality is to become not only the general employer, but also the general landlord. As regards the contentions raised from time to time that local authorities ought to make up their minds whom they propose to build for, this is a matter of no concern to the extreme municipal Socialists, who would have them build for everybody, so far as they can, but whose natural preference would be that their own particular friends and supporters should receive first consideration.

As for any loss to be made good out of the rates, owing to an undue adventure by municipalities into house-building speculations, that is regarded as perfectly immaterial by the Socialists, who say that 30 or 40 years hence, when the loans by means of which the municipal houses have been built are paid off, the dwellings will belong to the "people," and that, with the discontinuance of loan repayments, the rents will more than atone for the interim relief granted from the rates. In this consideration we are to see the whole theory of municipal house building, as it is regarded by the Socialists. But what is to happen when the loans in question have been paid off? Will the corporations owning the houses make a substantial reduction in the rents, inasmuch as they will no longer want to raise so much from them, or will they maintain the same amount of rent, and devote the profits to the relief of the general rates? In the former case the competition with privately-owned dwellings will begin in real earnest: in the latter case the corporation tenants will consider it a terrible hardship that they should have to pay rents so as to keep down other people's rates. It is even conceivable that the Socialists will then say, "The tenants have paid off by their rents the loans on the houses, therefore they should now live there rent free." So the housing problem, instead of being solved, might only come up in a still more acute form, municipal tenants becoming a privileged class to an even greater extent than they are at present. And, unfortunately, the discussions which would then arise on these and kindred questions would be complicated by this further consideration—that the thousands of tenants concerned would have the power of electing the municipal landlords by whom such questions would be decided. No class of people see this fact more clearly and look forward to its realization more keenly than do the Socialists; and, while they seek, on the one hand, to lull public uneasiness at the growth of public indebtedness by arguing that, financially, all will be right so many years hence, they themselves, on the other hand, fully recognize that municipal house-building constitutes one of the most important features of the whole Socialist propaganda.

XVII.

(The Times, November 11, 1902.)

CONCLUSIONS AND RECOMMENDATIONS.

In this, the final article of the series, it may be of advantage, before dealing with the recom-

mendations I have to offer, to recapitulate some of the main conclusions to which, as already indicated from time to time throughout the articles, an inquiry into certain phases of present-day local government has led. They may be put as follows :—

1. That the unrestricted growth of a huge local debt, which threatens to attain to the same proportions as the National Debt, constitutes a source of possible danger to the finances of the country.

2. That the uneasiness caused thereby is not dispelled by the fact of a certain proportion of the debt having been incurred for "remunerative undertakings," these being too often of a highly speculative character, while the uncertainties of municipal book-keeping in general leave room for considerable doubt as to the precise value of the undertakings as available assets.

3. That, on account partly of these speculations, and partly of the rapid advance of municipal expenditure all along the line, the rates are advancing in a way that constitutes a considerable burden upon the community.

4. That this burden is at present especially felt by manufacturers, industrial companies, traders, and property owners, but must eventually fall upon the working classes in the shape of higher rents, lower wages, and the increased cost of commodities.

5. That many boroughs, cities, or smaller communities in the land are threatened with financial trouble at no distant date by reason of the excessive expenditure of their local rulers. Already there has been an instance, quite recently, where a certain important borough was refused further advances by its bankers. It applied in vain to a number of other bankers for money, and eventually only just escaped a real financial crisis by inducing one bank, more considerate than the others, to let it have sufficient to tide matters over.

6. That the assurance that posterity will benefit from the municipal undertakings now being embarked on, when their cost has been eventually cleared off, is an inadequate source of consolation for the overburdened ratepayers of to-day.

7. That the heavy cost of the late war and the increase of local burdens, for purposes legitimate or unavoidable, are further reasons for protesting against any extravagant expenditure of public money and the incurring of injudicious liabilities on the part of local authorities.

8. That the remedy for the present position is to be sought for, less in the discovery of fresh sources of taxation, or in a resort to further speculative enterprise in the pursuit of problematical profits, than in the bringing about of a more effective control over local expenditure in general.

9. That new enterprises are embarked on too readily, without sufficient certainty of future success.

10. That the unbounded extent to which the principle of municipalization is being carried by local authorities is, whether intentionally so or not, in strict accord with the aspirations of the avowed Socialists in their desire to secure the creation of a Collectivist State, and the transfer to popularly-elected bodies not only of all "public services," but of innumerable trades and all the means of remunerative employment.

11. That there has already been spread throughout the land, by Socialists, trade unionists, and others, a network of organization which aims at either the capture of municipalities, or the attainment through them of sufficient power to secure (in the interests of Socialism) an unlimited expansion of the principles of municipalization and direct employment, as a stepping-stone to the realization of the full Socialist programme, and (in the interests of the Labour movement) the exercise on them of a controlling voice by trade unionism, with the object of making not only the local governing bodies themselves, but all business firms having dealings with them, subject to the laws and regulations of the labour unions.

12. That this network of organization is steadily widening its aims and increasing its strength, one of the latest developments being an association which is to bring into one body all town councillors and members of urban, district, and county councils who are members of the Social Democratic Federation, for the purpose of extending municipalization, municipal trading, municipal housing, &c., by means of conferences in various towns, and an active propaganda controlled from headquarters in Manchester.

13. That the well-being of British local government, the vigorous assaults by foreign rivals on our industrial and commercial position, and the best interests of the nation at large all lend emphasis to the demand that *carte blanche* should not be given to Socialists, semi-Socialists, trade unionists, political agitators, and faddists of all descriptions to exploit municipal government for the furtherance of their own particular schemes or crotchets, the prospect of success in these directions being increased in proportion as the Labour representatives provide well-paid and easy-going municipal employment for those who elect them.

14. That the Socialist-Labour organization, which aims at the capture of the municipalities, will also be available, and is to be used, for political purposes in securing as many seats as possible in the Imperial Parliament, so that, among other things, the Labour members be in a position to overthrow the decisions of Judges in the Courts of law.

15. That the energy and earnestness of the Socialist-Labour party are in marked contrast to the apathy and indifference of the ordinary middle-class citizen.

16. That, apart from the growth of the municipal debt and the increasing local taxation, the conditions here indicated are matters of grave concern, and that the country should arouse itself to a sense of the tendency of present-day events.

17. That in many instances the municipal treasury would benefit more from the rates and other contributions paid by private traders than if the local authorities undertook the risk of managing the enterprises or industries themselves.

18. That while, in the case of some of the large towns or elsewhere, municipal undertakings may be profitably conducted along wise and efficient lines, municipal enterprise generally has been carried to excessive lengths, especially in the case of smaller communities, or those where there is a lack of capable business men on the local body, with the result that, as declared in the *Accountant* of September 27, 1902 :—

Many of the trading departments owned by local authorities, which year after year are being made to show profits on trading, are practically unsound, and must, if matters are allowed to pursue their present course unchecked, inevitably in the course of time end in utter collapse.

19. That the primary duty of a local governing body is to govern and not to trade, and that such a body should not usurp the functions of the private trader unless there is paramount proof that the real welfare of the community necessitates such a course, and cannot be assured in other ways.

20. That this question of principle will remain, whether or not municipal trading shows real profits, paper profits, or losses.

21. That the direct effect of unrestricted municipal enterprise on British industries is a matter for serious consideration, the results being especially experienced on the following lines :—(*a*) Absorption by municipalities of industries previously left in the hands of individuals and companies ; (*b*) competition with private traders in industries which the latter still seek to carry on ; (*c*) influence of municipal action in checking invention, industrial progress, and independent effort ; (*d*) pressure of increasing rates on industries where foreign competition has to be met, and cost of production should be kept to a *minimum* ; (*e*) injury done to the interests of a large number of professional men—architects, engineers, and others —by the multiplication of public officials who readily undertake a variety of schemes or designs, requiring a high degree of technical skill, whether they are really capable of dealing with them or not, thus depriving the said architects, engineers, and others of a considerable proportion of their legitimate business ; and (*f*) prejudice to the building and other industries by reason of direct employment.

22. That, indirectly, there are to be found in the illimitable transfer of trades and industries to the collective control of municipalities such problems as (*a*) the decay of our national industries ; (*b*) the difficulty of maintaining foreign trade and commerce when home industries and enterprises are removed from the hands of the private trader, and controlled by local governing bodies having no concern for any interest outside their own boundaries ; (*c*) the transfer of capital from British to foreign investments ; (*d*) the discouragement, if not the disappearance, of that private wealth which has done so much in the past to promote the expansion of Britain ; and (*e*) the problem as to the position, economical and political, which, in these conditions, we should eventually occupy among the nations of the world.

23. That many local governing bodies have in their employ large numbers of their electors who can not only exercise an important influence at town's meetings, at elections, and on individual members, but form trade unions among themselves, are in association with the general trade union movement, and do all they can to advance trade union interests.

24. That the efficiency of local governing bodies, instead of being increased in proportion to the magnitude of the duties undertaken, shows too often a distinct falling off, so that if it be regarded as right and proper, in principle, that such bodies should take over commercial enterprises, it is still to be shown that their members are personally equal to the task.

25. That the increased enterprise and the decreased efficiency tend jointly to develop an all-powerful bureaucracy.

26. That in regard to the housing question local authorities would act far more wisely if, instead of entering on schemes of speculative house building on their own account, they devoted their attention rather to the enforcement of the sanitary laws, and encouraged in every possible way the increased supply of housing accommodation through private effort, more especially by granting sites on more favourable terms, and by modifying their by-laws and general requirements wherever this can be done without prejudice to the public welfare, themselves providing houses, as a last resort, only for the very poor, or for those people with large families whose difficulty in securing accommodation in existing tenements too often constitutes the *crux* of the whole housing problem.

Wanted : A Municipal Reform Association.

The propositions thus presented in collective form are offered as a basis for a Municipal Reform movement which would aim, primarily, at checking the introduction or the further development of undesirable elements in British local government in general.

To this end I would recommend, in the first instance, that there should be established as soon as practicable a Municipal Reform Association, which would constitute a central organization in London for ratepayers' associations, citizens' unions, property owners' associations, and other kindred bodies, to be established, where they are not already in existence, in every important centre of population in the country. The chief duty of such an organization would be to seek to interest the best class of citizens in local affairs, and to direct local government, as far as possible, along wise and temperate lines. The vexed question of municipal enterprise would, however, have to be approached with an open mind from three different points of view :—(1) Where it could be shown, beyond any reasonable doubt, that municipal undertakings already firmly established were being judiciously and successfully conducted, even the extreme anti-municipal traders would do well to accept the logic of accomplished facts, regarding what has been done in these particular cases as past recall ; (2) where it was found that local governing bodies, and especially those of the smaller type, had set up speculative undertakings which were either avowedly a failure, or only made an apparent success by a manipulation of the municipal accounts, pressure should be brought to bear upon them to cut their losses and save the ratepayers from further risk by transferring the business to private enterprise ;

(3) whenever fresh proposals for municipal trading were brought forward they should be subjected to the closest scrutiny, with the view of ascertaining whether (*a*) they are consistent with the real duties and obligations of a local governing body, or (*b*) they infringe on the legitimate province of the private trader; and further, in the former case, whether the local body is constituted of members possessing the requisite technical knowledge, and sufficiently experienced in important industrial enterprises to be entrusted with the management, and, in the latter case, whether (apart from questions of principle) the public exchequer and the public interests generally would not be as well served by leaving such enterprise in private hands, under adequate guarantees, the local authority being thus free to attend to questions of health, sanitation, law and order, &c., at greater leisure and with fewer anxieties. Whatever the views of individuals, a national organization, as distinct from one where the interests of capitalists and traders might predominate, could only hope for widespread success if based on lines such as these—lines on which persons of all classes, and representing a wide divergence of opinion, but inspired by a genuine desire to promote the national welfare, could meet on common ground. All the same, the association would have to be regarded as distinctly hostile to the wild schemes of the avowed Socialists, with their "Collectivist State" ideals, and to the municipalization, for Socialist or semi-Socialist reasons, of everything that a local governing body can lay its hands upon. A Municipal Reform Association would thus especially seek to distinguish between the legitimate and the illegitimate and to create a healthy and intelligent public opinion which would check innovations aimed primarily at the advancement of the Socialist propaganda, or likely to lead to that result.

Another of the functions of the proposed association would be to act as a central intelligence department in London in regard to all questions concerning local government. The publication of an official organ would be desirable, and the central body should constitute itself a Municipal News Bureau. There should likewise be put at the service of metropolitan and provincial branches skilled advice on questions of law, finance, or the management of industrial undertakings. The association should also have a Parliamentary branch which would keep a close watch on local Bills, taking steps to block or otherwise oppose obnoxious measures or clauses, and, in regard to Parliamentary proceedings in general, perform in the interests of ratepayers and traders the functions which the Association of Municipal Corporations discharges very much in the interests of the municipal bureaucracy.

It may be further suggested that a Municipal Reform Association would do well to organize, with the help of skilled accountants engaged for that purpose, an investigation into the whole subject of municipal finance, and, also, to continue to a much greater extent such studies of individual communities as have been given in the course of the present articles in respect to West Ham, Battersea, Poplar, Birmingham, Glasgow, and Halifax.

As regards the branch or affiliated organizations, one of the primary duties to be undertaken would be the freeing of municipal elections and municipal life, as far as possible, from the incubus of party politics. They should also adopt some means for ensuring that the ratepayers are kept well informed on all important matters connected with their local affairs. Much might be done in this direction by issuing clear explanatory statements from time to time concerning municipal topics, enabling busy or apathetic voters to see at a glance the points at issue. A society which worked on these lines would be much more likely to get paying members than one which expected local residents to attend committee or other meetings at the end of their day's labours, or to spend their leisure moments, week by week, in going steadily through detailed reports in the local papers. Another excellent method of interesting people in local doings is represented by the free picture lectures which have been most successfully organized by the Glasgow Citizens' Union. Then, again, the local associations should do all they possibly can to get capable business men, and representatives of the best class of citizens generally, to consent to nomination to vacant seats on the local councils or other bodies; but this can hardly be expected so long as (*a*) excessive demands are made on the time of members by the control of a number of municipal enterprises, interests, or concerns which form no part of the proper functions of local government; (*b*) candidates run the risk of unpalatable heckling at ward meetings by trade union representatives as to the management of their own businesses, or by political partisans on purely political questions; and (*c*) they are required to sit on public bodies with a type of men with whom their feelings of self-respect make them reluctant to associate.

Efforts to drag the average elector to the polling booth for the purpose of voting in municipal elections would naturally form an important feature in the work of the local associations, but it would probably be facilitated if he were first given the suggested opportunity to learn, without any trouble to himself, the real nature of the issue. There is the more reason why the middle-class voter should exert himself because, as a rule, the Socialist or Labour candidate will poll every vote he can possibly hope to get, and in many instances his opponent would be returned in his place if only a comparatively small number of the stay-at-home villa residents would avail themselves of their electoral privileges. Special efforts would also require to be made to get the ratepayers to appreciate better than they do the value of the institution known as the town's meeting, and to realize the fact that they are shareholders in the municipal enterprises, and, therefore, personally concerned in questions of risk and management.

In addition to all this, the branch associations would, of course, undertake the various other duties discharged by the best type of ratepayers' organizations. But the success alike of the proposed central association and of the affiliated branches would only be fully secured by the adhesion and support, not merely of the ordinary resident or shopkeeper, whose rates are going up, and of the trader whose business interests

are affected by municipal enterprise, but also of the large industrial companies upon which such organizations as these have a special claim. Often the largest ratepayers in a district, the limited liability companies, are deprived of any right to vote for the representatives who are to have the spending of their money; but by supporting generously a well-managed ratepayers' association, thus strengthening the machinery, and giving greater encouragement to desirable candidates to come forward (with a certainty of all legal expenses being paid, if necessary), they might exercise an even greater degree of influence than if they had votes of their own to give. Such a policy of self-defence, as against the persistent efforts of Collectivism to municipalize every interest, and to provide every possible form of municipal luxury for the "people" at the cost chiefly of large industrial concerns—wherever these pay most of the local taxation—would not only be fully warranted by the circumstances, but would offer to such companies one of the most effectual means now open to them of getting some degree of early relief from their present position.

A Municipal Reform Association, working on some such lines as those sketched above, and capable of embracing all the various interests concerned, is an essential necessity of the situation if the Socialist-Labour movement is to be checked or controlled, the burdens on the ratepayers, great and small, prevented from becoming even heavier than they are already, and the rights of the private trader protected, as far as may be, from municipal monopolists. Organization must be met by counter-organization; but something more is wanted than the ordinary type of ratepayers' association, which is too often allowed to die from sheer inanition within a very short time after it comes into existence.

What the Government Should Do.

The formation of a Municipal Reform Association is put as the first item on a Municipal Reform programme, partly because there is already so much that the ratepayers themselves can do, if they care to go to the trouble, and partly because it is not to be expected that the Government will move in the matter except in response to a strong expression of opinion on the part of the country.

All the same, there is a limit to the adoption by ratepayers of self-help principles, and there are various aspects of the question in which action by the Government seems to be called for.

The first thing to be asked of them is that some restriction should be put on the borrowing powers of local authorities. In the interests alike of communities and of the national finances, it is undesirable that such authorities—too often controlled, as has been shown, by elected representatives who can have had no experience of great financial or industrial questions—should be allowed to pile up the local debt without any regard to the available assets. There should be some recognized proportion of allowable local debt to rateable value. A stop should be put altogether to the raising of loans for purposes which ought to be met out of current account; loans obtained for specific purposes should not be put to other uses; the spending of money in advance of loans or Parliamentary powers should be prevented; and it is open to consideration whether something should not be done to define the extent to which corporations may anticipate the rates by securing overdrafts from their bankers.

Then the time has undoubtedly arrived when some guidance should be given by Parliament as to the particular forms of trading, enterprise, or Socialistic experiment which it should or should not be lawful for local authorities to undertake, and this definition should be supplemented by a stronger Parliamentary tribunal to deal with all applications for novel trading powers. It is unjust, also, and an infringement of the liberty of the subject, that any local authority should possess such a power of veto as to be able to prevent a trading concern from having its proposals even brought before a Parliamentary committee for consideration.

There is great need, too, for a thorough reconstruction of the machinery of the Local Government Board. The inquiries conducted by that body should not be little more than forms of procedure for sanctioning the wishes of local governing bodies in regard to increases of their borrowing powers. Wider authority should, if necessary, be given to the inspectors to inquire whether a particular scheme is practicable and really needed in the interests of the community; whether there is a reasonable certainty that the results will justify the further addition to the debt of the town; and whether, in the case of a new "enterprise," the local interests would not be just as well, if not better, served by leaving the undertaking to private traders, where these are prepared to act, and so save the ratepayers from what might prove a serious financial risk. At the same time more stringent conditions should be imposed on corporations as to consulting the ratepayers before entering on speculative undertakings for which they have received no mandate from those who have elected them.

From many different quarters the recommendation has come that the system of Government audit should be applied to the accounts of all borough councils, as well as to those of other local authorities in respect to which it is already imperative. It is open to doubt, however, if the necessities of the present situation would be adequately met by this course of procedure. The ordinary district auditor is not an auditor in the strict sense of the term. It does not appear to be his duty even to check receipts. He is simply a legal expert whose special function it is to see whether or not there have been any illegal payments, in respect to which surcharges should be imposed. It is certainly desirable that such an inquiry as this should be made in the case of all local governing authorities; but commercial undertakings carried on by those bodies should, in addition, be subject to an audit conducted on strictly commercial lines by a professional accountant, approved by the Local Government Board for that purpose, and every authority which indulges in trading should be required to publish a trading account, according to some prescribed form of balance-sheet, so that the ratepayers, who represent the shareholders, may know exactly how they stand. Such auditor should have power of surcharge, subject to appeal to the Local Government Board or to a

Court of law, and he should, too, have authority to lay before the local body his views either on their general financial policy, as disclosed by his examination of the accounts, or as to the position of any particular enterprise carried on by them. It is to be feared that without the exercise of some such wider powers as these—in order to meet the altered conditions under which municipalities have become trading and speculating, as well as local governing, bodies—the extension to boroughs of the present system of Government audit would merely give a false sense of security to the average ratepayer. There should, at the same time, be some definite law, rule, or regulation laid down on (*a*) the making of due allowance for depreciation prior to any claim of net profit; (*b*) the transfer to other accounts of items of expenditure incurred in the special interests of some particular undertaking; (*c*) the utilization of profits on one undertaking to make up the losses on another; (*d*) the application of profits to purposes for which the local authority has no power to levy rates; and (*e*) the question as to whether profits should go to the reduction of rates or to the cheapening and improvement of the services—all these being matters upon which it is quite time that some fixed principles were arrived at, assuming that the present rage for municipal trading is to go on unchecked.

But the audit of borough accounts by a Government auditor would need to be supplemented by the exercise of a far stricter supervision by the local governing bodies themselves over their spending departments. At present there is too great a tendency for each department to act independently of all the others, without regard to general policy or the financial position as a whole. There have been suggestions, on the one hand, that the powers of the finance committee should be enlarged so that, instead of merely having to draw the desired cheques, they could investigate any proposed new departure and report thereon to the council, from the point of view both of the practicability of the project itself and of its bearing on the finances in general; and, on the other, that the mayor and the chairman of each committee should jointly form a central committee of control, acting very much as a general manager would do in the case of a great industrial undertaking. Whether either course is practicable, or which of the two would be preferable, are matters of detail. The essential point is that in some way or other there ought to be this greater control exercised by local governing bodies in regard to expenditure alike on enterprises, on general administration, and on feastings, deputations, extravagances, and irregularities in general, where there is the slightest suspicion that such things are carried on. If in all these respects the local authorities displayed a greater disposition to set their own houses in order, and to establish the absolute integrity of their published accounts, it might be possible for them to show that there is no need whatever for a system of Government audit, to which there are some obvious drawbacks; but the one paramount certainty of the situation is that under existing conditions the ratepayers' money is being spent far too freely.

Considering, further, the serious extent to which the interests of limited liability companies owning heavily-rated industrial concerns might be prejudiced through the losses on municipal speculations having to be made good by the ratepayers, there is an additional reason why such companies should have conceded to them the power of voting in municipal elections through some official nominated by them, and entered on the voters' lists for that purpose. Although no really great company could hope to gain a voting power in any way equal to the magnitude of its financial interests, and although it might, as suggested above, exercise a greater influence in helping to secure the return of desirable candidates by a generous support of some well-organized ratepayers' association, still the concession to them of the right to vote in the election of those who will have the spending of the large sums they pay as rates would be an act of justice which would at least get rid of a very gross anomaly. Still another anomaly is that under which municipal workers are able to vote for those who are to constitute the body which employs them, using their electoral rights as a means of obtaining either better conditions for themselves or an increase in the volume of municipal employment through a further resort to trading enterprises. It is, indeed, a question for consideration whether the enfranchisement of the limited liability companies should not be followed by the disfranchisement of the municipal *employé*. Then, too, in the case of railway, dock, and other great trading companies in England (as distinct from Scotland and Ireland, where better practices prevail), Parliament should arrange for some more just, efficient, and less costly system in regard alike to the fixing of assessments and the hearing of appeals.

There have been demands in various quarters for the reappointment of the Joint Committee on Municipal Trading, or for the appointment of a Royal Commission thereon; but the facts I have adduced have probably suggested to the minds of many readers that, if further inquiry is held at all by the Government, there are many other matters connected with the administration of local affairs that call for investigation in addition to municipal trading, which, indeed, has been shown to be only one phase of a very wide subject. What may be done in this direction remains to be seen; but in the meantime I venture to suggest that, with the organization among the general body of the ratepayers of a national movement on the lines I have indicated; with the concession by Parliament, or the adoption by the Local Government Board, of some such changes as those suggested for the basis of a Municipal Reform programme; with an increased desire on the part of local administrative bodies to keep a greater control over their expenditure, to avoid hazardous speculations, and to confine themselves to their legitimate functions; and, finally, with the adoption by the landlords of working-class voters of some method by which they can bring home to the minds of their tenants the exact bearing on rents of ever-increasing rates, there should be the hope, at least, of checking some of the abuses, dangers, and undesirable tendencies in British local government to which it has been the object of these articles to point.

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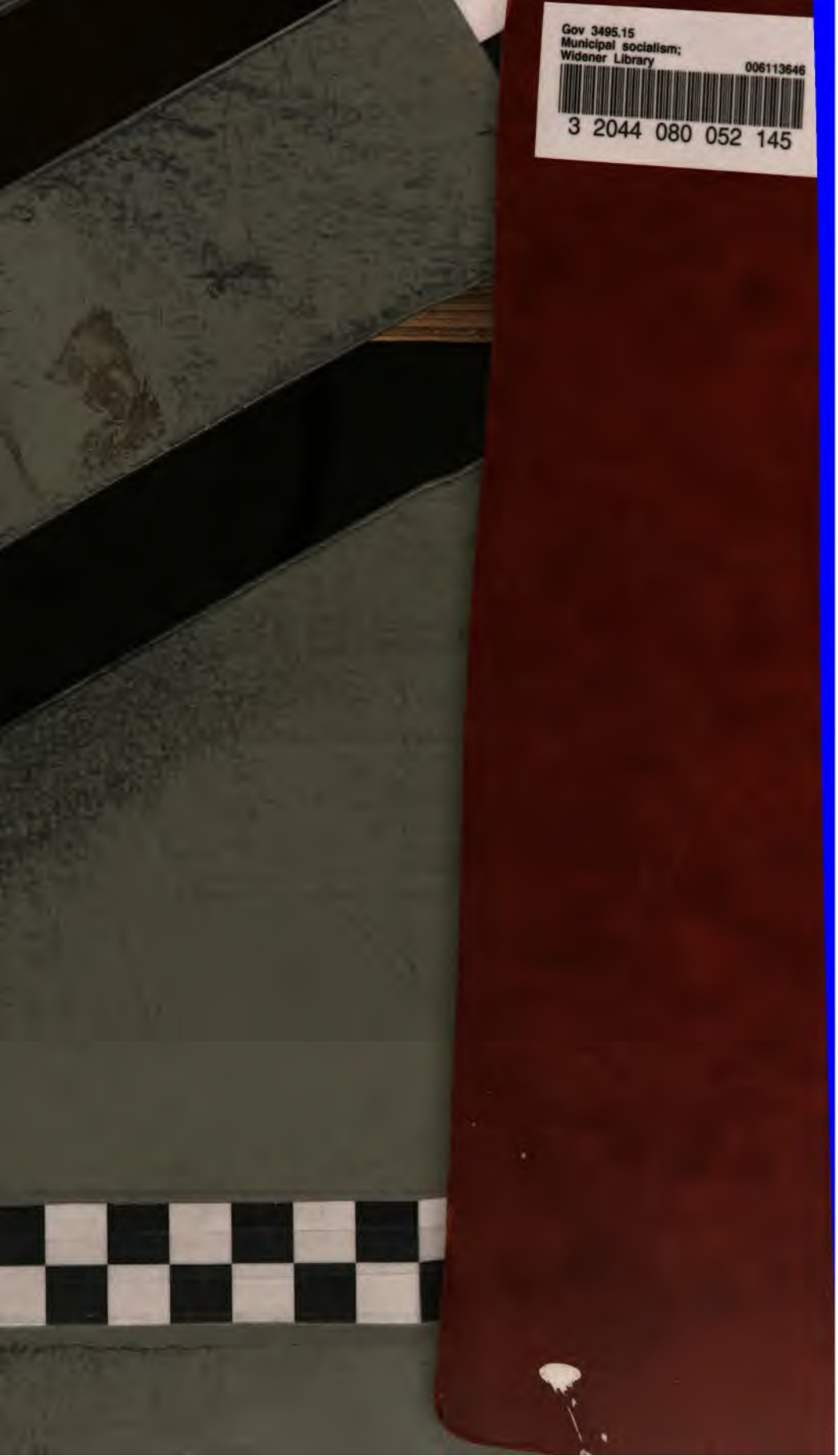
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